SENATE—*Friday, June 9, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD C. SHELBY, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Beloved, let us love one another: for love is of God * * *.—1 John 4:7.*

Gracious God, full of love and mercy and grace, perfect in justice and truth, it seems that the world is filled with hurting people, with confusion, with cosmic trauma. Our hearts reach out to all who suffer, whether it be civil conflict in China, poverty, homelessness, hunger or starvation, not only in many places in the world, but in the great cities and rural areas of America, and in our own city.

Help us, Father in Heaven, in this place of power, never to forget the powerless; in this place of many words, never to forget the voiceless; in this place of freedom, never to forget the oppressed. Give to us who always have more than we need of everything compassion and the grace to respond to those who never have enough of anything they need. Deliver us from indifference to the hurting. Grant to us in love the will to action, wherever, whenever, however we are able.

We pray in Jesus' name whose love is unconditional, universal, and eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 9, 1989.

To the Senate:

Under the provisions of, rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD C. SHELBY, a Senator from the State of Alabama, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. SHELBY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

THE ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for the transaction of morning business not to extend beyond 11:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 11:30 when the Senate resumes consideration of H.R. 1722, the natural gas deregulation bill, Senator MCCLURE will be recognized for the purpose of filing a cloture motion.

For the information of my colleagues, I will briefly restate the schedule for the next few days as I stated it last evening.

There will be no rollcall votes today. When the Senate recesses today, it will stand in recess until noon on Monday, June 12. Monday's session will be pro forma only with no business conducted.

At the close of the pro forma session on Monday, the Senate will stand in recess until 11:30 a.m. on Tuesday, June 13. Following leader time on Tuesday, there will be a period for morning business until 12:30 p.m. At 12:30, the Senate will recess until 2:15 p.m. for the party conferences.

When we reconvene at 2:15 p.m. on Tuesday, there will be 30 minutes of debate equally divided between Senators JOHNSTON and METZENBAUM, after which a rollcall vote will occur on the motion to invoke cloture on H.R. 1722. Therefore, Mr. President, Senators should be prepared that there will be a rollcall vote on cloture at approximately 2:45 p.m. on Tuesday, and several rollcall votes are likely throughout the day and evening thereafter on Tuesday.

Mr. President, I reserve the remainder of my leader time. I now yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

Mr. DOLE. Mr. President, I reserve my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond 11:30 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY TO FILE AMENDMENTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that amendments may be filed on Tuesday, June 13, until 1:45 p.m. in accordance with the provisions of rule XXII.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AN OLD SOLDIER BIDS ADIEUX TO THE CITADEL

Mr. HOLLINGS. Mr. President, at the end of this month, a very distinguished soldier, Maj. Gen. James A. Grimsley, Jr., will retire as president of The Citadel. During his 9-year tenure at the helm of the South's premiere military academy, General Grimsley has provided the school with

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

superb, tough-minded leadership—leadership deeply rooted in tradition and old-fashioned values, yet leadership with an eye on the future and a rapidly changing world.

I knew Alex Grimsley as a cadet—we both graduated in The Citadel class of 1942. He was a natural leader even then. He naturally commanded our respect. And, in that regard, nothing has changed during an extraordinary military career stretching across nearly five decades. Yet I hasten to add that Alex's ingrained, unflappable sense of discipline and dignity has always been leavened with a tremendous sense of humor. Indeed, I would venture the opinion that perhaps Alex Grimsley has served The Citadel best simply as a beau ideal, as a personal example to cadets of what being a man and a leader of men is all about.

Mr. President, as a military academy, The Citadel has traditionally defined its mission as that of turning young men into warriors and leaders. While upholding that proud tradition, President Grimsley has also put a new accent on academic excellence at The Citadel. He has presided over implementation of a tough new academic core curriculum affecting every course of study. And he has put money where his mouth is, working timelessly to complete a $27 million capital campaign—the first such fundraising effort in the academy's history—2 years ahead of schedule.

Already President Grimsley's accent on academics has had impressive results. The number and caliber of applicants to The Citadel is on the rise. The South Carolina Commission on Higher Education has recognized The Citadel as first among all State institutions in student retention, in the graduation rate of student-athletes, and in retention of black students. In both 1986 and 1988, U.S. News & World Report cited The Citadel for its overall academic programs and educational philosophy.

Mr. President, another proud soldier, Dwight Eisenhower, once explained that he purchased his farm in Gettysburg because he wanted to leave one corner of God's Earth better than when he found it. General Grimsley can look back with great pride in having taken one very proud corner of God's Earth, The Citadel, and left it better than when he found it. On behalf of the U.S. Senate, I salute this outstanding public servant, and I wish him and Jessie a long and happy retirement.

Mr. President, I also ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of General Grimsley's address to the 1989 graduating class at The Citadel last month.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS BY MAJ. GEN. JAMES A. GRIMSLEY, JR., PRESIDENT, THE CITADEL, MAY 13, 1989

Colonel Risher and members of the Board of Visitors, Distinguished Platform Guests, members of the Academic Board, other members of the Faculty and Staff, Families and Friends, members of the Corps of Cadets and—most especially—the Class of 1989: At the outset, let me express my deep appreciation to the Board of Visitors for the high honors bestowed on me this date. No son of The Citadel could ask for greater recognition, and I am most grateful.

Permit me now to present the individual who really deserves these awards—that great, gracious, and loving lady—who loves The Citadel as much as I—my wife, Jessie.

Last Fall, Cadet David Platt, Senior Class President, met with me to determine whom we should seek to address the Class of 1989 today. On his list were such notables as then-President Ronald Reagan and Vice President George Bush; former President Richard Nixon; and Lee Iaccoca! Look who the class ended up with! I'm sorry, fellows!! Incidentally, some of those individuals command a speaking fee of $15-20 thousand. I decided not to request an honorarium from the Board of Visitors for making this address—besides, it would be embarrassing when the Board stopped payment on the check.

In developing my remarks, I considered several courses of action. One—I could follow the advice I read of recently by a news columnist concerning graduation addresses: start with a joke, acceptable in public; be brief; and sit down. Or I could follow the lead of Bob Hope who recently told a college graduating class, "I was asked to give you advice on going out into the real world. Don't!!" And he sat down! Finally, I could become quite nostalgic and mix a lot of sentiment with rhetoric and philosophy—the "whole man concept" and the like. I shall do none of the above. Rather, for a brief few minutes, I plan to aim my remarks directly at the Class of 1989, and then close with some thoughts applicable to all in attendance.

To the Class of 1989: Whether you want to or not, in approximately 90 minutes you will enter the real world that Bob Hope mentioned. A world which is crying for genuine leaders in all sectors, at all levels. You can provide that critical ingredient of leadership because you have that Citadel experience. You have been tested, you have faced adversity, you have been tempered, and you have succeeded—up to this point! And that, gentlemen, is my primary injunction to you this morning. You must prove yourself over and over again, because the real world—with the sorry spectacle from Washington, D.C. to Cottageville, S.C.:

of graft, bribery, double standards, and situational ethics—

"if it ain't illegal, then its OK to do it", regardless of the moral or ethical value which is ignored,

with the unfortunate conventional wisdom in so many quarters that the lowest common denominator concept is right because that makes it easy for everybody—

That's the arena, wherever your piece of turf is, gentlemen, that's the arena you will enter.

What do you do? Simply this, my friends: draw on your Citadel experience. First, never, never lower the ethical and professional standards which govern your everyday life. The minute you fail to insist on a standard being met or when you do not do your utmost to meet that standard, it is immediately lowered. And that's bad!

Next, accept responsibility for your actions and for your personal and professional performance. Be a man; stand up and be counted; if you have "blown it"—have the moral courage to say so. Then have the fiber and pride to pull up your socks, correct your mistakes, and grow from the experience. Accept responsibility for those under you, their training and performance. Remember always that loyalty works both ways, up and down. Set the example.

Finally, continue to develop that single most important trait—integrity. Without integrity, all else is for nought. Nourish that integrity which connotes an honorable man, a disciplined man, a man of character. This world of ours is crying for such men!

Having said these things, I can state affirmatively that today, on this campus, this is a happy occasion. Because very shortly, The Citadel will send over 400 young men into this mixed-up but exciting world as beacons of responsible, disciplined leadership—men who have met high standards these past 4 years—men of integrity. As long as you gentlemen continue to draw on your Citadel experiences, forgetting not from whence you came and what you learned and experienced, and as long as you lead the way in your respective fields of endeavor, you will be successful—and The Citadel can state without equivocation that this institution has accomplished its mission in your behalf.

"SOME THINGS CHANGE—SOME THINGS NEVER CHANGE"

As the Corps knows, I frequently visit reveille formation (6:30 AM). A few weeks ago, I stood in the sallyport of Padgett-Thomas Barracks right after first call had blown. It was one of those glorious early mornings in the Low-Country in the Spring, with the sky beginning to lighten, a bit of cool in the air, and mist rising off the parade ground. The 4th classmen were double-timing to the quadrangle, and the upper-classmen were barking at them to brace, to move smartly, to correct their shirt tucks. The color detail was standing at attention by the flag-pole, prepared to raise the national color at reveille.

The cadet officer-of-the-day reported to me, one of the outstanding young men in this Class of 1989, as did the Officer-in-Charge for the day, an Army Major in The Citadel Class of 1972—one of the fine group of active duty personnel here on ROTC duty. They informed me that the evening before had been quiet and they also commented on the large number of cadets in all classes using the computer labs in Bond Hall, Capers Hall, and LeTellier Hall during Evening Study Period. The Army Major remarked on the physical plant changes on campus since his graduation in 1972, and the cadet captain noted that he was relieved that he would graduate on 13 May before the revised academic core curriculum would be implemented in September.

Then, reveille sounded, the flag went up, and the companies were marched to breakfast.

I commented to my two young companions that "some things change, some things never change." They agreed! The computer laboratories and their use during Evening Study Period, the additions and renovation to the physical plant, the toughened academic curriculum were all changes for the better, reflecting the dynamism of The Citadel in the 1980's.

But the balance of that morning's events had the same meaning to every cadet in formation on the 4 quadrangles as they did to that cadet leader in the Class of 1989, to the active duty graduate of the Class of 1972, and to this old-timer of the Class of 1942. Indeed, the picture of that reveille formation I have described would be fully understood by every Citadel Man, whether he matriculated at the Old Citadel on Marion Square or here. These practices, these traditions reflect a continuity in the heritage of this institution that sets it apart. Most recognize this as "The Citadel Spirit." Some things never change! God willing, I hope that they never will.

For The Citadel spirit is present, it is real, and it binds together the Corps of yesterday and today and tomorrow. It is embodied in the Corps of Cadets, the centerpiece of this great institution—may it always be so!

It is in support of this vision of The Citadel that Jessie and I pledged our total selves and service nine years ago. We shall always be deeply grateful for that opportunity given us. We are indebted for life to the Board of Visitors, the distinguished faculty and talented staff, the staunch alumni and good friends of the college, all of you for your dedication and support; and to the Corps of Cadets through all these years for the splendid experience of working with quality young men and the spirit and enthusiasm and affection they have shown us.

Now, it's time to say goodbye. It is time for this old soldier to say farewell to the Corps—and I do so with sadness but with so many happy memories. I have had an abiding and deep-seated love affair with the Corps of Cadets, and my nine years as president have been the happiest of my 45 years of public service.

It is time for me to take official leave of The Citadel. And that hurts. But I do so with the anticipation of having many additional opportunities in the future to work for my alma mater.

And it is also time for me to say goodbye to these seniors assembled here today, the last class I shall graduate. Fortunately for me, my sense of loss at leaving the Corps and The Citadel is tempered by my pride in "graduating"—again—with the Class of 1989. Gentlemen, I salute you!

Good friends, here and wherever members of The Citadel Family are, I hope that you will permit me to use that wonderful statement by St. Paul to his young friend, Timothy, as my valedictory as President of The Citadel:

"I have fought a good fight. I have finished my course. I have kept the faith."

Thank you very much. God bless you!

THE LATE WARREN G. MAGNUSON

Mr. INOUYE. Mr. President, with the recent passing of former Senator Warren G. Magnuson, I lost a dearly beloved friend and the Nation lost a legislative giant.

Senator Magnuson authored such landmark laws as the Public Accommodations Act, the 1964 Civil Rights Act, abolition of the poll tax, the Marine Mammal Protection Act, lowering of the voting age to 18, and establishment of the National Institutes of Health and National Science Foundation. Citizens may today take for granted the Federal laws that protect their liberties, their health, and their safety in their homes, workplace and marketplace, but many of these laws are the products of Warren G. Magnuson, who represented the State of Washington in the Congress for 44 years.

Senator Magnuson will be deeply missed not only for his magnificent legislative deeds, but also his personal humility, good humor, and constant readiness—even eagerness—to lend advice to a young colleague or simply tell a fun story from his vast storehouse of lore. Maggie, we miss you.

There must be a special place in heaven for individuals such as Senator Magnuson—although, it should be noted, it seemed that whenever Maggie was presiding in the appropriations or commerce hearing room, he was in a heaven of his own creation. Undoubtedly, Maggie will encounter fellow heroes such as Franklin Roosevelt, Lyndon Johnson, Robert Taft, Sam Rayburn, and Richard Russell in his heavenly travels—leaders with whom he would enjoy endless discussions of history, government, politics, and of societal problems. One day in his later Senate years, when age and ailments slowed his gait to a slow shuffle, Maggie was asked whether he would be late for an important committee session, and he was said to have responded, "The meeting doesn't start until the chairman gets there." Now, gentlemen, your meetings may begin.

RESOLUTION TRUST CORPORATION

Mr. KERREY. Mr. President, my policy concerns with the Resolution Trust Corporation [RTC]—a key entity in the proposed FSLIC-rescue legislation that we expeditiously passed onto the House have not been resolved by the House's action on the legislation.

In the month and a half since the Senate approved S. 774, numerous analysts and commentators have raised serious doubts as to whether the RTC, as currently structured, can adequately meet the task for which it has been established. I ask unanimous consent that three articles regarding the RTC be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KERREY. Mr. President, both versions of the bill only slightly modify the original administration proposal creating a Government entity charged with disposing of $100 billion in assets. As currently proposed, the RTC is mandated to sell or manage all of the real estate and deposits inherited from the hundreds of thrifts that have failed in the past years or are expected to fail in the future. As currently structured, this huge entity could be just another accident, waiting to happen.

In the Senate's legislation, the RTC would be headed by the Secretary of the Treasury, the Attorney General, and the Federal Reserve Chairman, along with two private individuals and a chief executive officer—the House version differs slightly. Karen Shaw, Director of the Institute for Strategy Development, characterizes this situation as putting three of the busiest people in this country in charge of managing the world's largest asset-disposition entity. This will place enormous power in the hands of the two private members of the RTC board and, most directly, in the hands of its CEO. Hundreds of billions of dollars of real estate and other assets must be sold at the best price to the best people. A daunting task even under the best of circumstances.

When confronted with such a task it seems advisable to consider and weigh previous experiences in order to craft a structure which incorporates the lessons learned from previous mistakes. The fate of the Federal Asset Disposition Association [FADA] should immediately raise a red flag. In its 4 years of selling off thrift assets seized by the Government, FADA, aside from itself becoming insolvent, has racked up a record characterized by mismanagement, slow asset disposition and high administrative costs.

We should also take into consideration FDIC's experience with the asset liquidation. FDIC has long been involved with liquidating assets for commerical banks. While observers generally have given them high marks, their experience grants us some insight into what we can expect. At the moment, FDIC is involved in 21,000 lawsuits growing out of $9 billion of assets. The RTC could be nearly 50 times as large. Finding an adequate number of accountants, lawyers, title insurers, appraisers, managers will be a monumental task in itself.

The prospective of such a massive Federal disposition of assets is viewed as a gold mine by real estate investors. An article published in a trade publication entitled "Nation's Building News" (June 5, 1989) asks "What's in the [FSLIC] bailout for the small real estate investor?" Their response: "Potentially a diamond mine of opportunities," and they continue "The name of the RTC game, however, will be sales at discounts. For savvy buyers, RTC's regional and local offerings could provide years of tempting deals. And profits." Mr. President such talk makes me very nervous.

There are political obstacles to the successful completion of this task as well. The RTC is charged with disposing of the assets as quickly and cheaply as possible. This process will require closing institutions, suing people,

firing individuals and selling property often in economically depressed regions. These actions or the threat of these actions will mobilize strong political pressures on the RTC. The response to these pressures may be to plunge the RTC into a managerial nightmare: it may actually try to oversee the management of these newly acquired properties, including half-built shopping malls and trailer parks, with little or no practical experience.

The Senate correctly included anti-dumping language in its version in order to prevent further damage to certain real estate markets. Yet, the opposite—holding onto property—may be just as damaging to real estate markets attempting to recover. The RTC will need to create incentives for the contractors to sell the assets as expeditiously as possible without encouraging a giveaway of assets, thereby driving up the cost to the taxpayers.

The challenge to policymakers is to create a management structure that can better respond to the problems I have outlined above. Asking three of the busiest individuals in Government to oversee the disposition of hundreds of billions of dollars of real estate and other assets is foolish. The potential for scandal is tremendous.

I have previously argued for an alternative proposed to better insulate the RTC board from political and financial pressures. I had suggested a seven member board, plus the currently proposed officials in an ex officio capacity, under the leadership of a strong chairman. In proposing a board similar to the Federal Reserve Board, it is not merely the number of individuals, but more specifically their insulation from political pressures. The challenge is to not only find an individual of unquestioned integrity, but also tap an individual with extensive business experience who does not hold a position that would present a conflict of interest. Unfortunately, my amendment was rejected by the Senate.

Poor management and regulation, as well as politics, have put us in a position of needing to rescue hundreds of insolvent savings and loans. Each dollar we commit to cleaning up this mess is one less dollar for worthy public programs needed to protect our environment, to improve our schools and health care system, or fund hundreds of other programs that are facing bugetary constraints. It is essential for us to create an oversight board and agency that reflects the magnitude of the problem, and will provide us with the necessary fiscal accountability to make sure that this situation is finally resolved without wasting funds. As currenty structured, the RTC does not meet that goal.

EXHIBIT 1

[From the Wall Street Journal, May 18, 1989]

NEW AGENCY TO HANDLE SICK S&Ls' ASSETS—HUGE RESPONSIBILITIES CARRY RISK OF FRAUD, ABUSE

(By Paulette Thomas)

WASHINGTON.—The federal government is creating a monster.

As early as this summer, in one full swoop, a new federal agency will seize assets with a value of as much as $400 billion. Thousands of lawyers and accountants will immediately go to work disposing of that property. And federal officials are painfully aware of the likelihood of fraud and abuse.

"There's obviously great potential for under-the-counter payments," says William Seidman, chairman of the Federal Deposit Insurance Corp.

Today, Mr. Seidman will issue his report to the President on the assets—from raw Texas prairie to trailer parks and vacant shopping malls—that the FDIC has taken over from 220 sick thrifts seized since February. The report will provide the first real glimpse of the challenges ahead for the new agency, which will take over the thrift liquidations that the FDIC is temporarily handling now.

This new agency will be called the Resolution Trust Corp. It will quickly become the owner of assets held by hundreds of sick savings and loans. Its ultimate shape and authority remain vague, with Congress still completing work on President Bush's thrift-rescue legislation. In a little-noticed provision of the Senate bill, for example, the RTC would have unlimited power to plunge the nation deeper into debt.

Just yesterday, in fact, Mr. Seidman—along with Danny Wall, the chairman of the thrift regulatory agency, and Robert Heller, a governor of the Federal Reserve Board—complained before a House committee that the bill's language is so vague that it will slow down the rescue process, in which thrift losses mount at $1 billion a month, adding to the taxpayer's cost.

DEARTH OF LAWYERS

It is clear that the RTC will become a giant contracting agency, unloading the hemisphere's largest pool of private property in a liquidation that will test the nation's property managers, title insurers, abstracters, appraisers, accountants and other such professionals for a decade to come.

"We could literally create a shortage of lawyers," says Mr. Seidman, whose agency, under one pending plan, will handle much of the RTC's work.

Never before has the U.S. tried to manage—much less sell—so much private property, and its previous efforts on a smaller scale hardly inspired confidence. The Federal Asset Disposition Association, or FADA, which for four years has sold off thrift assets seized by the U.S., has been skewered in Congress for mismanagement, cushy salaries and slow sales.

"It's amazing," says Karen Shaw, a Washington analyst who follows financial-services legislation. "Congress looked at FADA, didn't like it, and said, 'Yep, let's do that again.'"

Sen. Donald Riegle (D., Mich.), chairman of the Senate banking committee, says Congress is trying to put "iron disciplines in place that can really prevent the kind of abuse that I think is otherwise very likely to happen."

But many federal officials say that the scale of the RTC's mission makes mismanagement and fraud virtually inevitable—just one more cost that taxpayers will bear after years of federal inattention to the problems of money-losing savings and loans.

DAUNTING TASK

The scope of the RTC's mission is breathtaking, if the experience of the FDIC is any guide. As the longtime liquidating agency for commercial banks, the FDIC is currently involved in a staggering 21,000 lawsuits associated with $9 billion of assets. The RTC's property portfolio, by comparison, will be nearly 50 times as large.

It is nearly impossible for the FDIC and the Federal Home Loan Bank, its S&L counterpart, to retain accountants they aren't also suing. Under that guideline, only two of the top 20 accounting firms are eligible to do the work.

It takes 5,000 federal employees to keep track of the FDIC's property, suggesting that RTC, by simply arithmetic, would demand roughly a quarter-million people to handle its workload. But the administration intends to keep the RTC lean and mean—perhaps with fewer than 100 people to keep track of the private-sector contractors handling the real work.

The detail work itself is daunting. Joseph Robert Jr. of Alexandria, Va., who runs one of the nation's largest asset-management firms, says handling each asset can consume years of litigation, business planning and title research. The $5 billion in remnants of failed financial institutions now managed by Mr. Robert range from a muddy hole in a Dallas suburb that was to be the site of the "world's first vertical high-rise country club" to a church in Provo, Utah, built on speculation that some denomination would be interested in buying it.

Mr. Robert's experience also illustrates the all-too-typical nightmares awaiting those who will marshal the assets of the sick thrifts. In 1986, when his company stepped in as conservator of the Independent American Savings & Loan in Dallas, (now part of Sunbelt Savings & Loan), the S&L had more than a half-dozen financial reporting systems to monitor its various nonperforming assets. Computer hardware and software systems were incompatible.

"It was the craziest thing you ever saw," he says, "and that's just one institution." The RTC may eventually handle 500 or more sick thrifts.

Creating incentives for the RTC's private contractors to sell the assets will ultimately determine the RTC's success. When Continental Illinois National Bank failed in 1982, Mr. Seidman notes, private contractors, overseeing the $2.8 billion liquidation sold assets at a rapid clip for a while. But once the asset size fell below $1 billion, he says, the sales faltered. "It's more difficult to do when employees know they are selling themselves out of a job," he says.

Legislation, meanwhile, dictates that property not be "dumped," driving down local real estate values, while at the same time, property "overhang" may be just as damaging to a market waiting to recover. "Almost anything that happens will be subject to second guessing," predicts John Oros, a partner at Goldman Sachs & Co., who advised thrift regulators.

Mr. Seidman adds: "Being the head of this is not the place to get popular."

PROPOSED STRUCTURE OF THE RTC

In Senate bill

RTC oversight board members: Treasury Secretary, Attorney General, Federal Reserve Chairman, two private sector experts.

Includes provision that could allow RTC to issue debt and guarantees against loss in disposing of assets.

Could review, but not overturn, last year's thrift sales.

In House bill

RTC oversight board members: Treasury Secretary, Attorney General, Federal Reserve Chairman, HUD Secretary, a real estate expert, and the FDIC Chairman as nonvoting member.

A portion of the property will be reserved for low-income housing.

Could review but not overturn last year's Bank Board deals.

[From the Washington Post, May 5, 1989]

RTC: CAN THE HUGE S&L BAILOUT AGENCY HANDLE AN EQUALLY HUGE TASK?

(By Sharon Warren Walsh)

In bailing out the savings and loan industry, the Bush administration has created a government entity with $100 billion in assets—exceeded in size by only three of the Fortune 500 industrial corporations. Its deposits of $300 billion to $500 billion will make it the nation's largest financial institution—more than twice the size of banking giant Citibank.

But while the huge new agency appears to offer the best possible hope of recovering some of the costs of bailing out the S&L industry, financial industry observers say it also will create an opportunity for the greatest mischief in financial history.

Called the Resolution Trust Corp., it will have the far-from-simple mandate of selling or managing all of the real estate and deposits inherited from the hundreds of thrifts that have failed in the past several years. Rescuing those failed S&Ls will cost between $157 billion and $183 billion, according to various estimates.

"This $100 billion asset disposition agency is being created with absolutely no controls," said Karen Shaw, head of the Washington-based Institute for Strategy Development, a consulting firm. "It could be the Teapot Dome scandal of this century."

"It's going to be one enormous headache," said Robert Litan, senior fellow at the Brookings Institution. "Whoever heads it will be in a no-win position."

Under the Bush plan and in legislation passed by the Senate and soon to go to the floor of the House, the Federal Deposit Insurance Corp. will continue to take over insolvent S&Ls. The RTC, rather than the FDIC, will liquidate the thrifts.

But no one really knows how the liquidation of more than $100 billion in homes, apartments, offices, industrial buildings and land will be handled. There are no rules for the RTC to go by. The FDIC, in its entire history, has handled bank failures or bailouts involving only $144 billion in deposits.

William Seidman, chairman of the FCIC, has one view of the job ahead for the RTC. "In our experience, liquidation is a very difficult job," he said in an interview. "It involves closing institutions down, suing people, selling property into depressed markets, closing locations, firing people—all the kinds of jobs that can create a lot of unhappiness."

The RTC will have to walk a fine political line between getting rid of the assets of failed institutions quickly and cheaply, or of holding on to the assets and taking on the responsibility of managing the real estate.

Because the real estate market is extremely depressed in areas where many thrifts have failed, such as the Southwest, many experts worry that the government will sell the commercial buildings, homes and shopping centers that make up the assets of the failed S&Ls too cheaply. In the process, new real estate magnates will make a killing on the property later.

Others fear that if the RTC holds on to the properties, which it will be under considerable political pressure to do, it will wind up managing businesses in which it has no expertise.

"What does the government know about managing half-finished shopping centers?" Litan said. "There's virtually no guidance in the [House or Senate] bills . . . It's obviously a management problem of extraordinary magnitude."

One example of the types of problems the RTC may face has been experienced by the Federal Asset Disposition Association, the federal agency that now sells foreclosed property from failed S&Ls. FADA, which was created in 1985, itself became insolvent because of mismanagement, adding millions of dollars to the government's cost of closing insolvent thrifts. Several of its top-ranking employees were found to have stakes in firms that could benefit from FADA contracts.

In Congress, members admit that in the massive thrift bailout bills being rushed through both houses—each with more than 500 pages and hundreds of amendments—there are few provisions that control the RTC. They aren't sure, they say, exactly what it's going to do, how it's going to function, how big it will become or who will control it.

In the crisis atmosphere surrounding S&Ls, members of Congress said they were much more concerned with other issues and with getting a bill to the president quickly.

"We still don't know what kinds of control there will be on this amorphous, unshaped animal," said Rep. Charles Schumer (D-N.Y.).

Both the House and Senate versions of the bill limit the lifespan of the RTC—the House version to 10 years, the Senate version to five. But there are those who fear that the mammoth task ahead of the corporation may take longer than provided for in either bill.

To lead the corporation, Bush wanted a three-person oversight board. Headed by Treasury Secretary Nicholas F. Brady, it would have had Attorney General Dick Thornburgh and Federal Reserve Chairman Alan Greenspan as members. But Congress added more members to the oversight panel.

The Senate bill adds two outside real estate professionals to the board—a move that Sen. Robert Kerrey (D-Neb.) calls "putting a fox in charge of the henhouse."

Kerrey wanted an amendment that would set up a seven-person board with a strong chairman—someone, he said, of unquestioned integrity. But the administration opposed such an amendment.

The House version expanded the board from three members to five—adding Housing and Urban Development Secretary Jack Kemp and a private real estate expert.

No matter which version survives, a chief executive appointed by Brady will run the RTC.

In one amendment to the House bill, Rep. Steve Bartlett (R-Tex.) included a provision that would prevent the RTC president from going to work in the private sector for institutions with which RTC has dealings.

"I think it's critical that there be no hint of any ability for [the RTC chairman] to be able to negotiate for the RTC and then be able to do private business deals," Bartlett said.

[From the Chicago Tribune, May 21, 1989]

S&L RECONSTRUCTION AGENCY EMBATTLED BEFORE IT STARTS

(By Christine Winter)

Resolution Trust Corp., the government agency being created to dispose of the nation's troubled savings and loans, hasn't opened its doors yet, but already it's under attack.

Critics forecast it will be "a gigantic headache . . . a carbon copy of past mistakes." Even supporters admit it will need "a tremendous control framework" to ward off scandal.

In testimony before Congress last week, federal regulators warned that the structure of the massive agency, which will control hundreds of billions of dollars in deposits and troubled assets, is "extremely vague."

"The RTC is the big unknown to everybody," said Robert Weinberger, lobbyist for Continental Bank Corp.

Resolution Trust Corp. instantly will become the nation's largest financial institution, an agency that should attract the best and the brightest. But pundits already are calling the director's job the most unappealing in Washington.

"Guaranted to cause any rising star to explode," said one.

The director will be on such a hot seat—with billions of dollars of assets to unload, a legislated timetable of five years and very few concrete regulations—that he is virtually guaranteed to attract heat-seeking missiles.

"The potential for abuse is enormous," Sen. Robert Kerrey (D., Neb.) warned. "People are going to make millions of dollars on these assets; there is going to be a feeding frenzy out there. This can only be workable with good management."

The agency will be charged with disposing of the assets and deposits of the 219 failing thrifts that were put under the conservatorship of the Federal Deposit Insurance Corp. earlier this year. They represent $98.4 billion in deposits and about $95 billion in assets, an FDIC spokesman said.

According to congressional testimony by FDIC Chairman William Seidman Thursday, the program will include about 279 institutions by the end of the year, with about $115 billion in assets.

Total losses for the 212 of these that have been evaluated to date are $29.8 billion, according to Seidman. That is the amount of money it would take to "fill up the negative holes and bring their net worth up to zero," something that would have to be done before they could be sold or liquidated.

Seidman estimated that the total losses, when all of the 279 insolvent thrifts are evaluated, should fall under the $50 billion in proposed funding for the RTC.

These figures don't include the approximately $40 billion cost of merging and shutting down more than 200 thrifts in 1988—those institutions apparently will not be under the auspices of the RTC. However, the agency has been given the power to go back and try to renegotiate more favorable terms in some of the year-end "fire sales," when many troubled thrifts were sold to buyers seeking generous tax advantages.

The new RTC will be charged with the unenviable task of liquidating those billions of dollars worth of troubled assets—mostly commercial real estate but also residential mortgages and raw land—if the institutions can't be sold intact.

The RTC has only a few options for unloading its white elephant thrifts.

"We hope to see most of the institutions in this area merged, rather than liquidated; that's the preferable choice," said Patrick Rohan, assistant regional director for the FDIC in the Midwest.

"We've had a lot of expressions of interest in acquiring the thrifts in the Chicago area, from banks, investor groups and other S&Ls," Rohan added. Some would be buyers who looked closely at Skokie Federal Savings & Loan before the end of 1988 are back for another look, the FDIC managing agent at that institution said.

According to Leo Blaber, president of the Federal Home Loan Bank of Chicago, most of the troubled institutions in this district are prime candidates for acquisition, because "they are not deeply insolvent."

Seidman testified the FDIC has met with about 100 potential acquirers and has answered more than 400 written in inquiries.

All acquisition activity, however, is in a holding pattern until the legislation creating the RTC is passed.

"The government should sell these institions up front, with no contingencies or support," suggested thrift analyst Bert Ely. He pointed out that the earlier assisted deals left all the economic risk in the hands of the government, because it guaranteed troubled assets taken over by the acquirer.

Merging the thrifts, however, will take a bundle of up-front cash.

Merging the thrifts, however, will take a bundle of up-front cash.

Gerald Smith, managing director at Salomon Brothers Inc., which is starting a partnership fund to buy insolvent thrifts, said that whatever approach the RTC takes, the government must make these insolvent institutions whole before they are saleable.

"Nobody is going to underwrite the losses they have already incurred," he said.

"It's better to take the hit up front by merging the institutions and getting somebody else to take on the problem assets without assistance," Ely said. "It takes a lot of courage to put the cash on the table—I don't know if the courage is there, even if the cash is. Any solutions that try to lessen the amount of cash up front will be more costly in the long run."

For those S&Ls that can't be merged or sold, the government will have to transfer the deposits to a healthy institution, along with a negotiated amount of cash to offset the liabilities, or simply shut the institutions down and pay off depositors.

In either case, the RTC will make over and liquidate the assets, to get some recompense for the taxpayer. The FDIC would be contracted to sell the assets under the current proposal.

"This whole thing is going to be a tremendous problem . . . a mess," Kerrey said. "Government does a lousy job of disposing of assets."

Although the RTC has not been well defined in the current legislation, there is some concern that in the few details that have emerged, the RTC has gained "a social and welfare look to it." Most observers think it will probably shed such baggage in the final version of the legislation.

There is a provision now that community groups be given first crack at residential real estate, while another part of the bill forbids the "dumping" of assets, an attempt to preserve local real estate markets.

Critics argue that such provisions, while noble, will just slow down the process and increase the final cost to the taxpayer. However, they admit that while the provision regarding community groups may be disruptive, it won't be crippling, because relatively few of the assets are residential.

"Economically speaking, the right way to get rid of this stuff is as fast as possible," said Robert Litan of the Brookings Institution. "Everybody agrees that government will be a less efficient manager than the private sector, if this property is held."

The idea that such properties should be held—to protect local markets and to get a better price when depressed regions rebound—is unhealthy, according to Ely.

"These are damaged goods in almost all cases; this stuff is really junk; it would be in trouble in the best of markets," he said. He described much of the property as "badly built, half-built, with poor tenant mixes, legal clouds and bad locations.

"It would take fresh money, entrepreneurical talent and time to make these properties marketable," Ely said. "The RTC will have none of those things."

A spokesman for the FDIC in Washington said it will "take any conceivable approach to moving this stuff—bulk sales, auctions, whatever yield's the best return."

Since many of the assets are office buildings, high-rise developments, shopping strips and other commercial properties, the FDIC would have to hire someone to manage anything that isn't sold right away, something it doesn't like to do.

If there are any bargains to be had, it is unlikely the small investor will get a chance to take advantage of them.

"The most cost-effective method, from our standpoint, is to take a lot of like stuff and package it up and sell it in as big blocks as possible to qualified bidders," said the FDIC spokesman. The transaction costs would be too high to retail it in individual lots.

There is also concern that both House and Senate versions of the legislation authorize the RTC to issue notes and guarantees, without explicit limitations, FDIC officials reportedly are also concerned about having to go back to the RTC repeatedly for cash, since the RTC will be writing the checks.

Kerrey called for a strong RTC director, with such impecceable credentials that "no one could challenge him," a person the public will look at and say "we trust you."

The Senate version of the legislation puts the secretary of the Treasury, the attorney general, the chairman of the Federal Reserve Board and two independent real estate professionals on the board.

The House version adds the chairman of the FDIC and the secretary of housing and urban development.

During hearings, Donald Riegle (D., Mich.), chairman of the Senate Banking Committee, complained of too many administration members on the board. "We want some independence," he said.

"These are kind of busy people," pointed out Karen Shaw, head of the Institute for Strategy Development in Washington, D.C. "The actual management might end up being left to those independent members, with no real specifications."

"The way the board is set up is all window dressing; the director is going to run the thing, and he's the guy who is going to take the heat," the Brookings Institution's Litan said. "No rational person would want the job."

"The ideal person would be a recently retired corporate executive who has some government experience," Continental Bank's Weinberger said. "He can't be a babe in the woods in Washington, but he needs the business acumen."

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now closed.

NATURAL GAS WELLHEAD DECONTROL ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of H.R. 1722, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical corrections and conforming amendments to such act.

The Senate resumed consideration of the bill.

CLOTURE MOTION

Mr. McCLURE. Mr. President, I send a cloture motion to the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on H.R. 1722, a act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act.

Senators J. Bennett Johnston, John Breaux, James A. McClure, Don Nickles, Phil Gramm, Slade Gorton, Lloyd Bentsen, Wendell Ford, Alan Simpson, Malcolm Wallop, Timothy Wirth, Bob Dole, Trent Lott, Nancy L. Kassebaum, Conrad Burns, Pete Domenici, David Boren, Jeff Bingaman, Kent Conrad, and Strom Thurmond.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DIXON. Mr. President, I ask unanimous consent that there now be

a period for morning business for not to exceed 40 minutes, with Senators permitted to speak therein for not to exceed 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DIXON. Thank you very much, Mr. President.

KOREA: ANOTHER FSX SALE IN THE MAKING

Mr. DIXON. Mr. President, I want to talk a little bit about a recent Wall Street Journal article concerning the possibility of an FSX aircraft arrangement with Korea similar to the one that we recently debated concerning Japan.

But before that, I remind my colleagues who may be watching now in the U.S. Senate that the House of Representatives this week adopted the Byrd-Dixon language in the Dixon resolution amended by BYRD that passed the Senate and went to the House. The House jurisdictional committee, the Committee of Foreign Affairs, had modified the Byrd-Dixon resolution, but on the floor of the House an amendment by Congressman BRUCE of Illinois was adopted overwhelmingly that puts the language back in the same shape the language was in when it left the Senate and that is now going to the President.

Secretary of State James Baker has indicated, if that occurs, that the President may very well veto it.

I remind my colleagues that 72 Members of the U.S. Senate supported the language that is now going to the President's desk. If the President vetoes, it is certainly the intention of the distinguished President pro tempore, the distinguished senior Senator from West Virginia, Senator ROBERT BYRD, and this Senator and other like-minded Senators, including the distinguished Senator from Alabama in the chair, and others, to press to override the President's veto.

So, there will be correspondence going to my colleagues on that, and I think we have made a profoundly persuasive case that the deal contained within the FSX memorandum of understanding and letters of clarification is not a good one for the United States, and the language of the resolution, the Dixon resolution, amended by Senator BYRD, is the language of Congress about what we ought to do in respect to protecting our technology, our engine technology, our integrated systems technology, and to prevent the dissemination of the information regarding this technology to other countries. Also, the resolution keeps the jurisdictional committees of the Congress in both Houses involved in the process and assures that Commerce is involved in the future.

Now, Mr. President, having said all that, and that is a battle we may still have here shortly, I refer to a recent edition of the Wall Street Journal which reported that the South Koreans are probably feeling the heat generated by the intense debate over the Japan-United States FSX aircraft development program. Like Japan, Korea has been negotiating with United States companies for the purpose of coproducing fighter aircraft. In fact, the proposed Korean sales are in some ways even more extensive than the FSX sale to Japan, because they also cover helicopters.

Like the Japanese, Koreans are asking us to help build and improve their aerospace industry. This turn of events, of course, should not be a surprise to us. Last September, I warned this body that the Koreans were right behind the Japanese in their quest for an aerospace industry. In this joint program, commonly referred to as the FX, the South Koreans will coproduce the majority of 120 F-16 or FA-18 fighter aircraft that they will buy from the United States. They have clearly stated that they intend to be a factor in the future aerospace market.

We should pay close attention to these explicit declarations of Korea's intentions. We cannot afford to ignore these statements as we consider United States-Korean trade and security issues.

Although Korea is several years behind the Japanese in aerospace technology and development, they have demonstrated that they know how to catch up. Just as an example, look at how they captured the microwave market.

According to a new book, "The Silent War: Inside the Global Business Battles Shaping America's Future," in 1976 the Koreans started with one engineer who reverse engineered American made microwave ovens in a 15 square foot corner office of an old and primitive lab. Working roughly 80 hours a week for years, this engineer developed, and thousands of workers began building, microwave ovens.

These Korean ovens were so good and reasonably priced that a major United States company, General Electric, began buying them from Korea and shut down their own production lines in the United States. The Korean company building them became so efficient that today it is the largest maker of microwave ovens in the world.

What is the name of this company, Mr. President? Samsung, the same company that will be building either our F-16 or FA-18 fighter aircraft.

Experts say the Koreans are years away from building a competitive aerospace industry, but the experts said the same thing about the microwave industry and look at how wrong they were.

The major question I raised during the FSX debate is also valid in the FX case: Why are we helping a business competitor and free-trade violator build yet another industry at the expense of American workers here at home?

Extensive last minute trade concessions by the South Koreans were the only reasons they were not listed as an unfair trading partner by the United States Trade Representative. Although they avoided the Super 301 provision of the 1988 Trade Act, the Koreans were placed on the "priority watch list" because of their reluctance to protect United States intellectual property rights—patents, copyrights, and trademarks.

American companies know that many Korean trade practices are unfair. According to an April 11, 1989, Washington Post article, American companies wanted to place South Korea at the top of the list of unfair trading partners under the Super 301 provision. Indeed, these companies have felt the brunt of a $10 billion trade deficit that the United States has rung up with the Koreans in each of the past 2 years.

Uncle Sam provides the security umbrella that enables the South Koreans to build their economy, yet the Koreans, in all too many cases, have built that new economic muscle with unfair trade practices that hurt the American economy and cost American jobs.

Of course, the South Koreans are wheeling and dealing on these FX proposals, lying back, waiting for our companies to offer offset deals to make their packages more attractive. According to the journal article, General Dynamics is prepared to grant marketing and manufacturing rights for the Cessna caravan light transport plane, and even provide some work for atlas space rockets. What is next? Work on the space shuttle?

I am sure that many of the arguments put forth to promote the FSX agreement with Japan will surface again during the debate on the FX agreement. We will hear again that South Korea will not buy battle-proven American fighters off the shelf and that if we do not enter into this arrangement, the Koreans will turn to the Europeans.

Are we really trying to convince the Koreans to buy these planes outright from us? Or are we making the same feeble attempts to persuade the Koreans that we did in the case of the FSX sale to Japan?

Is the Commerce Department involved in the current negotiations? We know the Department was virtually ignored during the FSX negotiations.

If we have not been pressuring the Koreans to buy the planes outright, then our negotiations are not doing the job they ought to do. We Ameri-

cans easily have the comparative advantage in the aerospace industry, and if Koreans are a strong ally and fair trading partner, their only reasonable course of action is to buy these planes from us outright and off the shelf. If they do not, then the FX deal now under development should be scrapped.

Some years ago, developing a steel industry had the international popularity that the development of an aerospace industry seems to have now. As my colleagues know only too well, the net result of that spreading of overcapacity in the steel industry around the world had severe consequences that we are still attempting to deal with. Soon now, we will be extending the steel voluntary restraint agreement for another 5 years. Do we really want to turn the world aerospace industry into another steel industry?

This Senator is not going to compromise future American jobs for the sake of getting what we can get now, without taking the long view. We do not need the FX sale, Mr. President. Instead of politics to create more foreign government-subsidized competition for American firms, we need policies that focus on the export of American products made by American workers in American industry.

In the case of the FSX sale to Japan, the administration argued that the negotiations were over—that the deal was done—and that Congress therefore should not overturn it.

Many of my colleagues, Mr. President, got on the floor and voted against me on the resolution of disapproval, saying, "Well, the deal's done; the deal's done."

In this case, however, the negotiations are not over and, Mr. President, the deal is not done. In this case, therefore, Congress has a chance to make its voice heard in a timely way, and I urge all my colleagues to join me in making sure that the U.S. FX negotiators know where we stand.

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 7, 1989]

KOREA FEELS HEAT FROM JAPAN FSX FUROR—SEOUL WANTS U.S. KNOW-HOW FOR MILITARY JETS, HELICOPTERS

(By Damon Darlin)

SEOUL, SOUTH KOREA.—After FSX comes son of FSX.

The U.S. aerospace industry plans to teach South Korea's largest companies how to build jet fighters and military helicopters. And just as the American-Japanese FSX jet-fighter development plan sparked a furor in the U.S., the Korean project may cause trouble, too.

Even the names of the planes in the project, the FX fighter and the HX helicopter, sound reminiscent of the FSX, which raised fears about transferring U.S. technology to Japan, which has targeted aerospace as an industry it wants to dominate. Awareness created by the FSX flap could cause trouble for the Koreans, even though the technology is less advanced.

Indeed, South Korea makes no secret that the military projects, totaling about $4.2 billion, have a mission besides protecting the country. "We'd rather have the power to manufacture our own aircraft," says Chung Tae Seung, director of the Ministry of Trade and Industry's defense industry division. "We have a strong wish to be a manufacturing center of the world."

The Koreans say they will award contracts to U.S. companies that offer the most help in reaching that goal. And the American companies—General Dynamics Corp. and McDonnell Douglas Corp. for the FX, and Bell Helicopters, a unit of Textrom Inc., and the Sikorsky unit of United Technologies Corp. for the HX—are competing fiercely for the right to teach the Koreans how to compete with them.

Some Koreans boast their country will be building its own planes in 10 years, though knowledgeable Americans and Koreans doubt the Korean industry is a threat, and some say it may never be. The big three of the nascent Korean aerospace industry—Hanjin Group's Korean Air, Samsung Group and Daewoo Group—have done little more than assemble fuselages or machine simple parts. The industry made goods valued at only $213.8 million in 1988, $88 million of that for export.

Korean Air, for example, is designing a four-seater turbo-prop aircraft, based on a decade of assembling F-5 jets and helicopters. "But even with a simple toy like that turbo-prop, we need advice, 50 researchers and two years," says Shim Yi Taek, senior managing vice president of the company's aerospace division.

Experts say Korea is at least 20 years behind Japan, which is about a decade behind the U.S. But the Koreans have shown remarkable skill at catching up. A decade ago, few people thought they would be selling cars, computers and sophisticated appliances in the U.S. Though most of that technology is from Japan or the U.S., it has found a profitable niche in the low-end of the market. The same could be true for aerospace.

JUMPING IN

About 15 Korean companies already have jumped into aerospace and dozens more are considering it. The Ministry of Trade estimates that in 1992, just as the FX and HX begin production, Korea will produce $760 million in aerospace goods, more than half of that for export. "It's dangerous to underestimate them," says an executive of a U.S. helicopter maker.

U.S. aerospace executives say they have little choice but to aid Korea because the Koreans won't buy machines off the shelf. "If we don't help them, the French and the British are all too eager to jump right in," says a U.S. official in Seoul.

The Korean projects are very different from the Japanese FSX. While the FSX project will codevelop a new generation of fighter based on General Dynamic's F-16 and involving the latest technology, the Korean FX and HX are joint manufacturing projects drawing on technology at least a decade old. For U.S. industry, the Korean projects mean profits. And with Korea building the older machines under license, the American companies can shift to production of higher technology—and more profitable—machines in U.S. plants.

Besides the lack of experience and technology, Korea also lacks a domestic market for commercial aircraft, so it would be dependent on exports. But rising wages and the appreciating won are starting to reduce the nation's price advantage and could erase it entirely in 20 years.

COMPETING PAIRS

In the case of the HX, the Korean government is pitting two joint teams against each other for the right to build a light utility helicopter. Bell Helicopter and Samsung want to build the Bell 412, and Daewoo and Sikorsky want to build Sikorsky's H76. The government is also having another two teams compete for a medium-utility helicopter. Sikorsky is linked with Korean Air for the Sikorsky UH60 Blackhawk, and Bell wants Samsung as a partner for the Bell 214ST. The two projects will total an estimated 100 machines.

In the FX project, the government has named Samsung Aerospace as prime contractor for the 120-plane contract. Perhaps as early as this month, the Korean government will choose between General Dyanmic's F-16 and McDonnell Douglas's F/A-18. The planes are well matched, so the selection criteria boils down to how much help the companies would give the Korean industry, particularly in teaching how to manage a complex manufacturing process that can turn out consistently high-quality products.

General Dynamics, for example, is offering to help Korea update the F-4 fighter and the P-37 trainer, grant marketing and manufacturing rights for the Cessna Caravan light transport plane, and even provide some work for Atlas space rockets. "The list goes on and on," says Dain M. Hancock, vice president of program development for General Dynamics. "The technology of production is directly transferable to the commercial side of the industry."

That kind of talk could get Congress worried in these post-FSX days. "A lot of us are apprehensive," says a U.S. official in Seoul.

But others argue that because the FSX was able to get through Congress, the less-threatening FX project should have an easier time. "The FSX program has done all of us a big favor," says Herbert F. Rogers, president and chief operating officer of General Dynamics. "It creates an environment for the FX program to be treated more favorably than it would have been."

Mr. DIXON. I say in conclusion, Mr. President, this deal with Korea is not done yet. I heard some of the most distinguished Members in this Senate take the floor, some of the giants in this Senate, and say "It's a bad deal, but it's done now. Not much we can do. I guess we will go along."

Well, the administration might have gotten by with that once, but this deal is not done. Commerce ought to be in this deal. Secretary Mosbacher ought to be in this deal. We ought to be making the kind of a deal that is a good deal for America.

So I give notice now, Mr. President, that we know about the discussions on this deal and when they come to us later with a memorandum of understanding and letters of clarification on the deal with the Koreans, I am saying to them now that better be a

deal that Commerce and Mosbacher and others were involved in and that the leaders in the Congress were consulted about in both the House and the Senate if we are going to have a deal that will hold up. What we ought to do, Mr. President, is sell them these planes off the shelf.

I thank the Chair and my colleagues for listening to me this morning on what I consider to be the most important continuing issue, both domestically and in international affairs, before the United States of America at this time in our history.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERREY). Without objection it is so ordered.

THE CLEAN AIR ACT

INTRODUCTION: A LEGACY OF GOOD HEALTH

Mr. BAUCUS. Mr. President, this Congress can reaffirm America's commitment to careful stewardship of the environment.

The days of the so-called me generation are numbered. People in all walks of life are becoming more concerned about the air we breathe, the water we drink, and even the fragile layer that protects the planet from deadly ultraviolet rays.

These are no longer esoteric subjects for debate at scientific conferences. They are real. I hear about them when I am home. And I read about them every day, when I read the Montana mail.

We have the opportunity to translate this rising public conern into a new set of positive environmental laws. By doing so, we can leave the next generation a legacy of good health.

THE FIRST TEST: CLEAN AIR

The first test will come when we consider legislation to reauthorize the Clean Air Act.

Everybody, of course, is in favor of clean air.

But it turns out that everybody has not been in favor of a strong Clean Air Act. For 8 long years, reauthorizing legislation has been blocked, primarily by intransigent opposition from the Reagan administration.

Well, a new breeze may indeed be blowing.

Earlier this week, President Bush invited several of us to the White House. The President confirmed that he will propose Clean Air legislation next week.

That's good news. I congratulate the President. Whatever the details of his proposal, after 8 long years of intransigence, his leadership is very important, and very welcome.

Sure, Democrats would like to claim all the credit. But we would rather pass a bill. Now, with the prospect of bipartisan cooperation, we have a chance to do just that. And there will be plenty of credit to go around.

Bipartisan support is a unique opportunity. We must not squander it. We must not pass a lowest common denominator bill, that does just enough to get by.

We must act boldly. We must pass a tough, responsible, bill. A bill that fully and finally protects public health.

THE KEY: OZONE NONATTAINMENT

Today, I would like to discuss the standard by which a clean air bill must be judged. It must include strong enforceable provisions that address our air toxics problem, our nonattainment problem, and our acid rain problem. Each of these problems are real. Each require real solutions. Clean Air legislation must be judged on how well it addresses each of these problems.

To control our air toxics, legislation must require the best available control technology, and include a health based safety net in cases in which our technology is not adequate. To neutralize our acid rain, it must include a true 10 million ton reduction in sulfur dioxide emissions by 2000.

But the cornerstone of a clean air bill, Mr. President, is nonattainment. Let me spend a few minutes to discuss the standard by which a nonattainment provision must be judged.

Nonattainment is a fancy phrase. What we are really talking about is smog—that chokes, corrodes lungs, and kills.

In 1970, Congress declared that air pollution "has resulted in mounting dangers to the public health and welfare, including injury to agricultural crops and livestock, damage to and deterioration of property, and hazards to air and ground transportation."

To address these problems, the Clean Air Act of 1970 established a national deadline for attaining—that is, for cleaning the air.

That was 19 years ago. We have extended the deadlines repeatedly. But today there are hundreds of nonattainment areas, covering 354 counties in 42 States. In fact, most Americans live in nonattainment areas; areas, that is, in which the air is not safe to breathe.

The biggest problem is ozone, which is formed from hydrocarbons and nitrogen oxides. Most of our major cities are not meeting the ozone standard. Some by significant amounts. One hundred million Americans live in ozone nonattainment areas.

What does this mean?

Ozone can age our lungs prematurely, make us more susceptible to other diseases, and make it harder to breathe. It also may increase our risk of cancer.

Ozone creates particularly grave dangers for children, whose respiratory systems are undeveloped and who spend a lot of time outdoors.

Last summer, children in New York and Washington were playing in air which did not meet the standards that OSHA applies to workplaces. That is right. Our kids were playing in air that it would be illegal to work in.

The toll is taken quietly. Incrementally. But its staggering. Air pollution may be the cause of 5 percent of all deaths and illnesses in the United States. The American Lung Association estimates that it increases health costs by $40 billion a year.

And things may be getting worse. Ozone is catalyzed by heat. The hot summers of the 1980's, which may be attributable to global warming, are raising ozone levels nationwide.

MOVING FORWARD: THE FEDERAL ROLE

So how do we move forward?

We must require a tough pollution control strategy, so that we can meet the air quality standards within a reasonable time. One of the tools we must use is a series of regular, scheduled emissions reductions.

As far as Federal controls go, we must, to paraphrase Willie Sutton, go where the pollution is.

That means tighter controls on mobile sources, including automobile tailpipes. It means tighter controls on stationary sources. And it means tighter standards for fuel volatility.

Each step will be controversial. The Office of Technology Assessment estimates that we need, on a national average, a 50-percent reduction in emissions of volatile organic compounds, which are one of the main precursors of ozone. But today's technology can only give us a 35-percent reduction.

So, by definition, any strategy to clean up our air cannot depend solely on existing technology. We have to establish more ambitious standards, and challenge American industry to meet them. This challenge can mean new American jobs and new pollution control technologies we can export to other countries who are looking to America for environmental leadership.

CONCLUSION

A good bill provides mechanisms to correct mistakes and the guidance to make those corrections. Cities should look ahead and decide how they will maintain clean air standards after the standards are attained.

States that fail to give it all they have should be subject to clear, strong, and fair penalties. We all need to know the rules of the game, and then we have to live by them.

The current act fails to make the tough choices. Even clear mandates in the law were ignored and avoided where possible. The new act must not make that mistake.

We can breathe clean air again if we insist. I, for one, will insist.

EXTENSION OF MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time for morning business be extended until 1 o'clock under the same current conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WIRTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EAST-WEST ENVIRONMENTAL COOPERATION

Mr. WIRTH. Mr. President, we are all transfixed by the drama of the changes in world order as the century nears its end. Some of the drama comes from images we have come to expect as daily fare on television:

Students and tanks in Tiananmen Square;

Morning gunfire in Beirut;

Hostilities between the dispossessed and the Government of Israel; and

Shootouts between Crips and Bloods in our own inner cities.

And some of the drama also comes from a stunning revision of perspective, a revision perhaps best symbolized by the new views of the Earth brought back to us by space travelers. The astronomer Fred Hoyle said, way back in 1948 when the notion of space exploration was science fiction:

> Once a photograph of the Earth, taken from the outside, is available * * * a new idea as powerful as any in history will be let loose.

Certainly the travelers themselves come back profoundly changed in their view of the unity of the world, and Americans and Russians react in exactly the same way.

Here is Astronaut James Irwin of the United States:

> That beautiful, warm, living object looked so fragile, so delicate that if you touched it with a finger it would crumble and fall apart.

And now Cosmonaut Vladimir Kovalyonok:

> After an orange cloud—formed as a result of a dust storm over the Sahara and caught up by air currents—reached the Philippines and settled there with rain, I understood that we are all sailing in the same boat.

These radically new views of Earth—one from the television screen, the other from space—will be the ones that dominate the way we see our world in the 21st century, the century in which our children will govern. This vision of Earth is in some ways seamless: No national boundaries can be seen from space, no borders interrupt the transmission of the scenes we view on television. Yet the order in that world, and thus the chances for its survival, depend, upon nation-states and the relations among them. And these are in a state of flux as dramatic as the changes in our perception of the physical world.

Both the United States and the U.S.S.R. have severe economic problems. We realize the size and scope of our enveloping deficit nationally and internationally, and recent discussions in the Soviet Union reveal the even greater size of their national deficit.

These strong economic forces would be certain to produce significant effects on world order all by themselves. But in fact they are not all by themselves; they are aligned with a new phenomenon, perhaps more powerful and moving than all the others. It is a vision not unlike that of the Earth from space—a realization that the global environment is a commons—that is, a resource shared by all peoples and nations and used in common by them in ways that both affect and depend upon its quality. For example, if one country manufactures chlorofluorocarbons, it affects the ozone layer that affords equal protection to all countries. States that burn coal generate acid rain that falls on States that do not. Nations that burn their forests and nations that consume large amounts of fossil fuel per capita contribute carbon dioxide to the atmospheric greenhouse and contribute to global warming, but we all get warm together.

We are familiar with our problems in the United States—those, day to day in our newspapers—and increasingly, Americans are aware of the size and scope of air pollution in our cities, soil pollution, the drawdown of water reserves, drinking water systems that are polluted and cannot be drunk, toxic air pollution problems and so on. We are familiar with those problems here at home, but they are less familiar with similar kinds of problems existing on the other side of the ocean to the East.

CONDITIONS IN EASTERN EUROPE

For example, in Eastern Europe Dr. Barbara Jancar, professor of political science at State University of New York at Brockport, commented in her statement before the Commission on Security and Cooperation, April 26, 1988, that: "In Czechoslovakia, Poland, and the GDR, there are areas * * * so degraded, devoid of life, they are fast approaching the ecological barrier where further economic development is impossible.

Asked to describe the present situation in Eastern Europe, John Boland, professor of geography at the Johns Hopkins University, who recently returned from an extended stay in Eastern Europe in part as an advisor to Solidarity, said that starting from the northwest corner of Czechoslovakia in Bratoslavl and going east by northeast through Czechoslovakia and southwest Poland into the Soviet Union is the worst environmental situation in the world.

CZECHOSLOVAKIA

In Czechoslovakia, government officials estimate that 70 percent of the rivers flowing through Czechoslovakia are heavily polluted. In 1982, more than 4,300 miles of river—28 percent of the nation's total—had no fish life.

In Czechoslovakia, 30 percent of the forests in the Czech lands (Bohemia) are dead, and 20 percent more are dying. The figure of 25 to 30 percent for damaged forest is common for four out of six Eastern European countries, according to U.N. data from 1986.

POLAND

Poland's rivers are among the most polluted in the world. In Poland, government figures show that almost one half of the country's water is unfit even for industrial use. The Vistula River, for example, in the section that runs through Cracow is "virtually devoid of biological life." The Vistula, which empties into the Bay of Gdansk, accounts for two-thirds of the 131,000 metric tons of nitrogen that end up in the Baltic each year.

A French scientist noted in a recent article in The Sciences that the Polish Academy of Sciences reported that all of the country's tap and well water may be contaminated to the point of being unusable by the year 2000. Similarly, in Romania, one report estimates that only 20 percent of the country's rivers are acceptable sources of drinking water. Two-thirds of Hungary's drinking water reserves are endangered and its rivers further threatened as a direct result of Romania's pollution of the Tisza and Danube Rivers. Romania is furthermore the fifth worst air polluter in Europe, the GDR being the worst, emitting some 5 million tons of sulfur dioxide into the air in 1982, which is about 150 percent more than does its neighbor Czechoslovakia.

A quarter of Poland's soil is believed to be too contaminated for safe farming. To this extent, the Polish Government is considering a ban on growing vegetables in Silesia, where garden samples register quantities of heavy metals that are between 30 and 70 percent higher than World Health Organization norms.

SOVIET UNION

The recent developments in the Soviet Union:

MORGUN'S SPEECH

Feodor Morgun, Chairman of the U.S.S.R. State Committee for Nature Conservation, gave the following assessment of the state of the environment in the Soviet Union at the July 1, 1988 session of the 19th All-Union CPSU Conference:

There is a reduction in the natural fertility of the land, there is a reduction in humus in the soil, and forests are in an unsatisfactory state. Some 64 million tons of harmful substances are discharged into the atmosphere by industry and even more by automobiles, and the content of these substances in the air exceeds health norms in all industrial centers. In 102 cities—

Said Dr. Morgun, the Soviet leader in this area, the Soviet head of the equivalent of the EPA—

with a total population of 50 million, concentrations were frequently 10 times the permitted level. (The exact numerical evaluation of the permitted level has proved to be unobtainable indicating the as yet incomplete availability of information within the Soviet Union.)

EASTERN EUROPEAN ENVIRONMENTAL PROBLEMS

In the period of glasnost, some of the most startling information emerging from the Warsaw Pact nations is information about the environmental decay that has occurred.

On his return from a recent visit to Central Soviet Asis, a Swedish scientist remarked:

The destruction of the Soviet environment, particularly in the Central Asian area, has now progressed beyond the point of recovery. The Caspian Sea is dying, the Black Sea is heading for the same fate, and Lake Ladoga, Europe's largest inland sea, is so polluted that it cannot be used even by a planned extension of a paper mill. By the year 2000 Central Asia will be environmentally dead.

Testimony presented to the Commissions on Security and Cooperation in Europe last year by an American researcher made the following observation:

In Czechoslovakia, Poland, and the GDR, there are areas * * * so degraded, devoid of life, they are fast approaching the ecological barrier where further economic development is impossible.

The general opinion in the Soviet Union among some specialists is the recognition that the world has entered into a new era where the old laws are no longer operative. Most notably, security is being redefined and the environment is being factored into that definition. However, whereas there has been significant progress on armament issues, the ecological situation remains threatening. This recognition is accompanied by an awakening to the fact that the Earth's natural resources are exhaustible and that the Soviet Union may already have reached the point where its land and water sources are not replenishable.

Managing our global commons provides us with enormous opportunities, which I recently discussed with Fyodor Morgun in the U.S.S.R.

Specifically, I believe there are five areas that we together may want to concentrate on.

First, we have to work together on energy efficiency. Increasingly, we are finding our greatest environmental challenges—and this as true in the East and as it is in the West—derive from the way we use energy. Energy efficiency is the top priority for environmentally sound economic activity. Japan and Western Europe produce a unit of GNP with half the energy required by the United States. The Soviets and the rest of the centrally planned economies lag further behind.

Second, we have a great deal of work to do in the area of water conservation. The death of the Aral Sea is directly related to the inefficient means with which the Soviets use water. The problem is that these problems are contributing to environmental decline. Water conservation should be another focus for cooperative efforts.

Third, certainly we can find common ground on the dreadful rate of deforestation around the globe. In the tropics, forests are being slashed at the rate of one footfall field per second. An area the size of Pennsylvania is lost each year—loading the atmosphere with carbon dioxide and creating new problems for the industrialized nations as soils erode, land grows scarce and food security in the developing world becomes more marginal, and as we rob the globe of treasured biological diveristy.

Fourth, together with the Soviets, we take on the issue of global population. It took more than a million years for the human species to grow to 2 billion people. In the past 45 years, population has more than doubled—to 5 billion. In the next 30 to 40 years it will double again to 10 billion. There is a serious question as to whether the planet and its environmental systems can sustain these numbers. Can we produce enough food, preserve atmospheric systems and the like? No one knows. It seems to me that a prudent first step for our efforts would be to work together to ensure that every individual who desires it has access to basic family planning services.

Fifth, a large scientific research agenda exists. Many of these arrangements are already underway. However, we need to step up cooperative ventures to understand the scope of the problems we face, particularly in Eastern Europe, and to improve the precision of our responses. Of special concern here should be the sharing of air pollution technologies to combat the increasingly deadly pollution from Paris and Rome to Cracow and Turkey.

Finally, we should be aware of the national and international security dimensions of our task.

When the world becomes warmer, and oceans rise, what happens to our assumptions of coast lines, coastal integrity and sealanes?

As deforestation grows, along with deserts, where do populations move and what kind of political pressures result?

As agricultural patterns change, can we adapt through research rapidly enough to avert enormous famine?

A warmer climate encourages greater disease, more insects, and increasingly subtle and frightening threats to human life.

And North-South disparities can multiply, with escalating potential for confrontation.

These examples could be multiplied endlessly. They portray a planet beset not by single, great difficulties like the nuclear balance of terror but by a host of complex, interlocking conflicts at a more local scale—many of them involving cultural beliefs, traditions, and religious convictions with which we are woefully unfamiliar. To create peace and order in such a world will be inordinately more difficult even than solving the classic great-powers' security problems. What should nations like the United States and the U.S.S.R. be doing to prepare ourselves for our 21st-century roles in untangling this mess?

Certainly the focus is changes. A world that was defined by arms relationships between the two is rapidly changing. A new imperative, global environmental problems, is going to define our relationships, and it is time for us to get along to get right on, Mr. President, with moving on the urgency of this set of issues.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Republican leader.

THE PRESIDENT'S FIRST PRIME TIME PRESS CONFERENCE

Mr. DOLE. Mr. President, first of all I want to congratulate President Bush for an excellent first "prime time" national press conference in the Reagan years, the national press was always clamoring for more press conferences, and more access to the President.

Well, President Bush has given them access—and then some. In fact, some reporters are now complaining they have too much access. I guess sometimes you just cannot win.

But President Bush demonstrated last night his cool command of foreign policy issues, especially China. The President spoke with ease and experience about the country in which he served so well as our Ambassador. The

questions were tough but he met them head on with candor and depth.

The President reiterated his strong condemnation of the human tragedy in Beijing, and refused to back away from the strong actions he has already taken, including reaffirming our right to provide physical asylum at the United States Embassy for threatened Chinese dissident Fang Lizhi.

On another important subject, the President underscored again his total and complete rejection of the regrettable Republican National Committee TOM FOLEY "smear release." President Bush—as do I and my colleagues on this side of the aisle—view Speaker FOLEY as an honorable, dedicated public servant who has earned the respect of Republicans, Democrats, and independents.

And we know he will be a great Speaker. I look forward to working with him, as does President Bush.

I am not a "TV critic" so I will not judge how the lighting and the setting looked on the tube, but on performance I will give the President four stars.

BIRDS OF A FEATHER

Mr. DOLE. Mr. President, birds of a feather fly together. In this case, the birds are vultures.

Today's Washington Post reports that Nicaragua's Communist dictator, Daniel Ortega, has joined forces with Panama's drug-running dictator, Manuel Noriega in a common front against the United States.

Drawing on his bulging warehouses of Soviet and Cuban arms, Ortega is providing weapons to Noriega, both as a political sign of support, and to prepare Noriega for any showdown with the United States.

It is not surprising that these two are arm-in-arm. Noriega has made himself a pariah in this hemisphere. He will take friends anywhere he can find them, especially friends who can help him arm his goon squads.

And Ortega understands that his own fate might be tied in an indirect way to Noriega's fate. If this hemisphere joins together, as it should, to effect the ouster of a dictator like Noriega, it would set what would be seen in Managua as a pretty scary precedent.

Mr. President, at heart, Ortega is just as much of a tyrant as Noriega, or, at least, he aspires to be. It matters not that one brandishes a tyranny of the right, and the other of the left. Tyranny is the meeting point for the extremes of both ends of the political spectrum, and tyranny is something that has no place in this hemisphere.

Nicaragua and Panama are different situations, requiring different kinds of strategies, but the bottom line problem in both is the same—the people of those countries are being denied their rights, and the governments of those countries represent a threat to the free nations of the hemisphere. Neither problem is going to be solved, until these despotic and corrupt regimes are removed, and democracy is established.

SUPPORT FOR SANCTIONS IN SOUTH AFRICA DWINDLES

Mr. DOLE. Mr. President, seizing on events in China, as they will on any pretext, the knee-jerk proponents of more and more punitive action against South Africa are again starting the drumbeat for new sanctions legislation.

There is only one problem—a problem that many of us who opposed the last major sanctions bill predicted at the time. The kind of sweeping sanctions we imposed, under the circumstances we imposed them, do not work. They have not speeded the end of apartheid. They have cost thousands of blacks their jobs and their opportunity for a better life.

Sunday's New York Times has an article by Christopher Wren on this subject, which I would like to share with the Senate. I ask unanimous consent that the text of the Wren article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SANCTIONS DO THE JOB, BUT APARTHEID'S CRITICS ARE NOT ALL FOR THEM

(By Christopher S. Wren)

JOHANNESBURG.—Archbishop Desmond M. Tutu sounded less than enthusiastic last week about his known support of economic sanctions as a weapon against apartheid. Addressing a church gathering in Durban, the Anglican archbishop, one of the Government's most visible critics, reiterated an earlier confession that he was "not wedded" to sanctions. "If we can bring about the end of apartheid without sanctions, I would be the first to say Hallelujah," he said.

Sanctions have hurt South Africa and forced the Government to readjust its economic strategies. But the first waves of casualties have come from the country's black majority, not its white minority.

A poll commissioned by the Chamber of Mines, a private association of South Africa's mining companies, and released in mid-May reported that 82 percent of the 1,400 black South Africans interviewed said they opposed sanctions and 85 percent of the blacks surveyed said they would oppose sanctions and boycotts that cost them their jobs, even if such measures brought down the white minority Government in five years.

Some anti-apartheid groups were quick to challenge the startling findings of the poll, which had a 4 percent margin of error, mostly on grounds that the Chamber of Mines wanted to show that sanctions were unpopular.

But the Gallup Organization, which conducted the survey through a respected South African marketing group, contends that even those blacks who admitted supporting the outlawed African National Congress expressed substantial opposition to sanctions.

This apparent backlash has prompted some rethinking among apartheid's opponents about selecting their targets more carefully. Last week Archbishop Tutu and three other prominent South African clergymen wrote to international banks asking them to make any rescheduling of South Africa's foreign loans, which now exceed $20 billion, conditional on the creation of "a just political order" by Pretoria.

The damage inflicted by financial sanctions was acknowledged by Gerard de Kock, head of the South African Reserve Bank. "Political developments and perceptions forced South Africa to transform itself from a capital-importing to a capital-exporting economy," Mr. de Kock told an audience in Cape Town last month.

The Government's top banker disclosed that $10 billion had been withdrawn from the country between 1984 and 1988. Economic recovery, he said, required political changes that would appease overseas critics sufficiently for capital to start flowing back.

The damage imposed by restricting South Africa's access to the international financial market was described in starker terms by Andre du Pisani, a South African political scientist, who told a conference in Harare, Zimbabwe, last week that South Africa's foreign exchange reserves had sunk below those of neighboring Botswana.

Proponents of disinvestment have long said that the loss of foreign funds taken by departing companies would force the Government to hasten the demise of apartheid. Opponents have contended that disinvestment hurts apartheid's victims, not its villains, by depriving blacks of jobs, weakening their economic leverage. Moreover, some maintain that the strategy of attacking apartheid by forcing Western companies to leave doesn't work. "I cannot attribute a single change to the departure of an American company, so in that respect it has been a total disaster," said Adrian Botha, the executive director of the American Chamber of Commerce in South Africa, a co-sponsor of the Gallup poll.

No South African trade unions opposed to apartheid have called publicly for foreign companies to leave, though some black union officials maintain that sanctions are necessary in the political struggle.

A LABOR UNION'S REQUEST

The Chemical Workers Industrial Union is trying to negotiate an agreement with the Mobil Oil Corporation, which has announced its departure, that would effectively leave the bulk of its assets in South Africa.

The extent of hardship inflicted by sanctions has been hard to measure. John Liebenberg, a senior executive of the Chamber of Mines, said that 8,000 to 10,000 mine workers, almost all black, lost their jobs when foreign embargoes were first placed on coal exports. But some miners were rehired when the demand resumed.

In a report for the South African Institute of Race Relations, a private think tank that monitors the effect of apartheid, Ronnie Bethlehem, an economist, estimated that sanctions could cost nearly two million jobs by the year 2000, most of them in the unskilled category filled by blacks, because the job market would not expand in a declining economy.

Some advocates of sanctions concede that they cost black jobs. But they say they are

needed to force change on white South Africans, who ultimately must suffer too.

John K. Nkadimeng, a labor leader prominent in the African National Congress, said that those left unemployed should be treated as inevitable casualties of the war against apartheid, no less than the A.N.C.'s armed guerillas. "There are thousands of our people who suffer whether there are sanctions or no sanctions," said Mr. Nkadimeng, speaking from exile in Zambia. "They must make the same sacrifices."

Support for sanctions, not only in the West but also in South Africa, is likely to persist in the absence of alternative actions against the white-minority Government, though they seem bound to become more selective Eugene Nyatt, a political economist, said he and other blacks like Archbishop Tutu advocated sanctions "not because they are good or bad, but because they are effective."

Mr. DOLE. Mr. President, noting that the headline of the article does not accurately represent its contents, I would urge all Senators to read the Wren article.

Without belaboring the point, I would also just like to cite two items from the article. First, a Gallup poll recently conducted in South Africa shows that the overwhelming majority of black South Africans oppose economic sanctions, on the grounds that it is they—and not the white power structure—that get hurt the most.

The other item I would cite is a projection by a noted South African economist that the existing sanctions could lead to the loss of about 2 million jobs in the South African economy in 10 years—almost all of them jobs now held by blacks.

Mr. President, according to this article, even those like Bishop Tutu who have been ardent supporters of sanctions in the past are beginning to question their effectiveness.

I hope that those Americans who have almost automatically supported any call for new sanctions will join with Bishop Tutu and the overwhelming majority of black South Africans, to stop and think for a moment; and to start supporting American policies that will work, and not just make us feel good.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, today marks the 1,546th day of captivity for Terry Anderson in Beirut.

I ask unanimous consent that the attached article from the November 25, 1985, Washington Post describing the efforts of Anglican Church envoy—and now hostage—Terry Waite be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOUR AMERICANS "ALIVE, WELL," CHURCH ENVOY BACK FROM BEIRUT TALKS

(By Dody Tsiantar)

NEW YORK, Nov. 25—Anglican Church envoy Terry Waite, arriving here today for talks with Reagan administration officials, said four Americans held in Beirut are "alive and well," although it was not clear whether he had seen or spoken with the hostages during his negotiations with their captors. "I regard it as a good sign that they are talking," he said. "But I am not through."

He was reluctant, however, to supply details about the captors or their discussions. "The situation is highly volatile and very, very dangerous. And I am not being overdramatic," said Waite, the representative of the Rev. Robert Runcie, archbishop of Canterbury. "One false move on my part or one loose word could cost lives."

Waite, 46, was visibly tired after flight from Athens. His departure Sunday from Beirut had been delayed for two days by fighting in the streets. He is here to brief White House and State Department officials and church leaders on the progress of his talks.

Waite said he was not certain how long he would stay in this country but said he hoped to return to Beirut "in a few days."

The four hostages are Terry Anderson, Associated Press Bureau chief; the Rev. Lawrence Jenco, director of Catholic Relief Services, and two officials of the American University of Beirut, David Jacobsen and Thomas Sutherland.

"You can take my word for it, the four hostages are alive and well," Waite said. Asked where he met with them, he replied, "I didn't say I spent any time with the hostages."

Waite said he had no information about two other Americans held hostage, Peter Kilburn, a librarian at the university, and U.S. Embassy official William Buckley.

"It's a mystery," he said "I wouldn't like to say they are dead until I have proof that this is true. But, genuinely, I don't know."

PRETRIAL ORDERS OF THE IMPEACHMENT TRIAL COMMITTEE ON THE ARTICLES AGAINST JUDGE ALCEE L. HASTINGS

Mr. BINGAMAN. Mr. President, the Impeachment Trial Committee that has been appointed to receive and report evidence on the articles of impeachment against Judge Alcee L. Hastings will begin its evidentiary hearings on July 10, 1989. The hearings will be conducted in the Central Hearing Facility between the Hart and Dirksen Senate Office Buildings, SH-216. They will be broadcast live to each Senate office. Also, videotapes of the testimony of the witnesses at these hearings will be available for later viewing by Members of the Senate who are not on the Impeachment Trial Committee.

During the last several months the Impeachment Trial Committee has considered and acted on a number of pretrial issues. Its actions are reflected in five pretrial orders that have been issued to date. The most recent of those orders, issued yesterday, governs the final pretrial statements which the parties will file on June 21, 1989, prior to the pretrial conference which the committee's vice chairman, Mr. SPECTER, and I will hold with the parties on June 22, 1989.

For the information of the Senate, I ask unanimous consent that the committee's pretrial orders be printed in the RECORD.

There being no objection, the pretrial orders were ordered to be printed in the RECORD, as follows:

I. IMPEACHMENT TRIAL COMMITTEE, DISPOSITION OF PRETRIAL ISSUES

Upon consideration of the written submissions of the parties on pretrial issues and the oral argument on April 12, 1989, the committee has authorized the chair to issue the following rulings on behalf of the committee:

PRELIMINARY WITNESS LISTS

First, on three occasions, beginning on August 10, 1988, the Committee on Rules and Administration asked the parties for preliminary lists of witnesses with a description of the general nature of the testimony that is expected from each witness. The Rules Committee expressly stated that neither side would be precluded, by the submission of this preliminary information, from requesting subpoenas for other witnesses. On September 6, 1988, the House submitted a list of twenty-three witnesses that it anticipates calling. The House briefly described the nature of each witness' proposed testimony. On January 17, 1989, the House supplemented that list with six additional witnesses. Judge Hastings did not provide the Rules Committee a list of his proposed witnesses in these Senate proceedings. Neither has Judge Hastings provided to this committee a preliminary list of the witnesses that he intends to call before us, other than to refer to material which he had provided last year to a subcommittee of the House Committee on the Judiciary.

It is imperative that Judge Hastings now provide his preliminary witness list without any further delay. The committee requires the list in order to complete its consideration of pretrial issues, including the fixing of an appropriate date to begin evidentiary hearings. Accordingly, Judge Hastings is directed to provide to the committee by noon on April 19, 1989, a preliminary witness list that identifies in good faith the witnesses that he intends to call before this committee. The witness list should also briefly state, in detail comparable to that already provided by the House for its anticipated witnesses, the nature of the testimony that Judge Hastings expects each listed witness would provide. This is to be a preliminary list. Judge Hastings may add, by showing good cause for not including them on the preliminary list, additional names when he submits his final witness list. In the absence of a showing of good cause, the committee may exclude the testimony of any witness who is not listed and described in the preliminary witness list.

The House has indicated that it may have additional witnesses. To the extent that those additional witnesses are now known to the House, the House should supplement its preliminary list by noon on April 19, 1989.

MOTION IN LIMINE

Second, the House has moved *in limine* to exclude five categories of evidence as irrelevant.

The first category concerns the motivations of persons who investigated Judge Hastings in 1981 and then who prosecuted him in *United States* v. *Hastings*, Cr. No. 81-

596-Cr-ETG. The third category concerns the motivations of persons who investigated the matters addressed by Grand Jury No. 86-3 (Miami) concerning the alleged disclosure by Judge Hastings of confidential wiretap information.

Judge Hastings correctly notes that the House has placed on its witness list several assistant United States attorneys and agents of the Federal Bureau of Investigation who would testify in connection with either the bribery and perjury allegations or the wiretap matter. Judge Hastings asserts that the House motion is premature. He also asserts that he should be able to inquire into the motivation and bias of the witnesses against him. As Judge Hastings has asserted a tenable basis for some degree of latitute in cross-examining the witnesses that the House will call, the committee denies at this time this portion of the House's motion. To the extent that Judge Hastings proposes to inquire into the motivations of persons who investigated and prosecuted him for a purpose other than impeaching witnesses that the House will call, the House motion is premature in the absence of a firm indication from Judge Hastings, through the filing of a witness list, that he intends to call any such witnesses. We wish to make clear nonetheless that our denial at this time of this portion of the House motion should not be understood to invite an open-ended inquiry into the motivations of federal prosecutors and investigators. Rather, any such inquiry must be limited to evidence that the investigations were conducted in a manner intended to mislead a court or trier of fact as to Judge Hastings's guilt or innocence.

Categories two and four concern the motivations of persons who initiated, investigated, and considered the complaints that were filed against Judge Hastings in March, 1983, and September, 1986, with the Eleventh Circuit under the Judicial Conduct and Disability Act of 1980. Judge Hastings contends that this aspect of the House motion also is premature.

The issues that are presented by the articles concern Judge Hastings' conduct, not the conduct of members of the judicial branch or persons employed by it. Judge Hastings has made no showing that evidence in categories two and four would be relevant to the articles of impeachment. Moreover, a grant of the House motion with respect to categories two and four should help to focus the parties' preparation for trial on issues that will be germane to the Senate's consideration of the articles. The motion to exclude evidence of the matters described in categories two and four is granted.

The fifth category in the House motion *in limine* is cumulative evidence on Judge Hastings' general character and reputation. We agree with Judge Hastings that this portion of the House motion *in limine* is premature. We expect that Judge Hastings will be mindful of the limitations that the committee placed on the number of character witnesses, and the total length of character testimony, in the Claiborne proceedings, and that, in composing his witness list, Judge Hastings will recognize the need to avoid cumulative evidence. We can address at a later date any question which arises about the need to impose limits on that testimony.

DOCUMENTARY DISCOVERY

Third, Judge Hastings has moved for extensive pretrial discovery. He advocates that discovery be based on contemporary ideas about discovery in federal civil judicial proceedings. The House has proposed a scope of discovery that is modeled to a greater extent on federal criminal judicial proceedings. The House proposes to provide to Judge Hastings any exculpatory evidence that it possesses. The House also proposes that each party provide to the other party the documents that it proposes to offer in evidence, prior sworn, adopted, or approved statements of witnesses that each proposes to call, and substantially verbatim and contemporaneously recorded statements of witnesses that each intends to call. The discovery proposed by the House should be completed as promptly as possible. We reject, however, the divergent theoretical limits—expansive in Judge Hastings' view and constricted in the House's view—that each side has advocated.

The House has expressed a concern about one House of Congress directing another House to produce records. We need not address at this time whether the Senate has that power in an impeachment proceeding, because we think that it should be sufficient to state principles and a schedule to guide these proceedings:

(a) To the extent that the parties have had a disagreement about photocopying, we recommend to the House that the issue be resolved in Judge Hastings favor and that the House provide to Judge Hastings copies of all documents that the House has no objection to providing on the basis of their content. To facilitate Judge Hastings' response to the House's proposed stipulations, a matter that will be discussed below, the House should provide those copies by April 21, 1989, a week from today's order.

(b) The House—which has proposed to provide exculpatory materials, certain prior statements of witnesses, and documents and other tangible evidence that it intends to introduce in evidence—has indicated that it has provided most but not all of that material to Judge Hastings. The House would like to defer further production until it receives equivalent material from Judge Hastings. We will be requiring comparable disclosure by Judge Hastings, but the production to Judge Hastings should not be delayed while that occurs. Again, because we will be requiring responses to the House's proposed stipulations, the House should provide this material to Judge Hastings by April 21.

(c) Concerning other documents, the sharing of information should be guided by a broader principle than that advanced by the House in its offer to provide exculpatory evidence and the prior sworn, adopted, approved, or substantially verbatim and contemporaneously recorded statements of witnesses. In addition to the interests of the House in its role as advocate for the articles of impeachment and the interests of Judge Hastings in defending against those articles, the Senate has an interest in the development of a record that fully illuminates the matters that it must consider in rendering a judgment that under the Constitution only the Senate may make. We therefore ask the House—for documents that it has obtained from elsewhere in the government that are responsive to a particularized request from Judge Hastings—to determine whether there are specific objections, such as the need to honor promised confidences to people who may be at risk, to production to Judge Hastings. In the absence of specific objections by the House or by the governmental entity that provided the material to the House, which should be articulated in writing so that the parties and the committee may be apprised of them, the special constitutional process that we are now engaged in will be served best by the fullest disclosure possible. It may be that for some documents an appropriate course of action would be to provide them to the committee for an evaluation of their sensitive nature, if any, and a determination by the committee whether any restrictions should be placed on the terms of access to them. Again, because of the schedule that will be set forth below for responses to stipulations, the House should respond by May 3.

(d) Judge Hastings also has a burden that he has not yet met. It will be necessary for him to do more than simply demand everything that other people have. In order to facilitate the process that we are asking the House and the other branches to undertake, Judge Hastings should identify, with far greater particularity than he has to date, the records that are germane to issues in these proceedings. Also, if it would be of assistance to the holders of documents in determining their responses, he should articulate to them the basis for his requests. To enable the House to respond by May 3, Judge Hastings should submit his particularized requests by April 26.

(e) Neither the Department of Justice nor the counsel or the members of the Investigating Committee of the Judicial Council of the Eleventh Circuit are before us. If Judge Hastings has requests for documents from either the Department, including the Federal Bureau of Investigations, or the Judicial Council, he should promptly make particularized requests to them by April 26. With knowledge of the committee's interest in the fullest disclosure possible, we would appreciate knowing of the Department's and the Council's responses at the earliest possible time.

(f) Judge Hastings should provide his reciprocal discovery to the House by May 10, including all documents, tapes, and other tangible evidence he intends to offer in evidence, and sworn, adopted, approved, or substantially verbatim statements of witnesses that Judge Hastings intends to call.

DEPOSITIONS

Fourth, Judge Hastings has asked that the Senate utilize its subpoena power to enable him to take depositions in advance of the committee's hearings. He has attached to his most recent request a list, in which he has denominated a provisional list, of twenty-four Department of Justice attorneys and Federal Bureau of Investigation officials and agents. The list is taken from a list of provisional witnesses that Judge Hastings had submitted last year to a subcommittee of the House Committee on the Judiciary.

The committee knows of no precedent for the pretrial examination of witnesses in connection with a Senate impeachment trial. Nevertheless, the committee will give further consideration to Judge Hastings' request for depositions after receiving from him a statement that includes the following information: a list of proposed deponents; a proffer of the testimony he expects to elicit from each proposed deponent and the relevance of that testimony; whether the proposed deponent has testified or provided statements in prior proceedings and whether Judge Hastings has received or has had access to any transcripts or recorded statements; whether Judge Hastings has asked the proposed deponent to provide information voluntarily and, if he has, the response of the proposed deponent; and, if the committee provides for depositions but limits

their number, what priorities Judge Hastings places among the depositions that he is requesting.

If Judge Hastings wishes to pursue his request for depositions, he should submit this statement by April 28, 1989.

It is the committee's hope and expectation that if either the House or Judge Hastings seeks an opportunity to obtain information from the Department of Justice, including the Federal Bureau of Information, that the Department and the Bureau will cooperate voluntarily to provide relevant information.

STIPULATIONS

Fifth, the House, on December 15, 1988, served an original and, on March 31, 1989, served a revised proposed stipulation of facts. The revised proposal reorganizes the original proposed stipulation of facts into fifteen categories. The House also served on December 15, 1988, a proposed stipulation of documents which asked that the parties stipulate that each of the listed documents is genuine. The proposed documentary stipulation also proposed other stipulations for designated categories of documents. The December 15, 1988 submission by the House on documentary stipulations stated the proposed stipulations did not preclude pertinent objections to the admissibility of the documents listed by the House based on matters not addressed in the stipulations.

On January 17, 1989, the House proposed that the Senate adopt a rule that any proposed stipulation of fact will be accepted as true unless the opposing party files a written objection, including a proffer as to why the proposed stipulation should not be taken as true. The House asked for a parallel rule on the authenticity of documents.

An early resolution of factual questions and questions about the authenticity and admissibility of documents that are not in dispute will enable the parties and the committee to focus their time and energies on matters that are truly in disagreement. Also, the committee has been directed by the Senate to report to it on facts that are uncontested.

Accordingly, the committee accepts the House proposals. We direct Judge Hastings to respond to the House's proposed revised stipulations of fact, filed on March 31, 1989, by admitting their truth or serving and filing a specific objection that includes a proffer as to why the proposed stipulation should not be taken as true. With respect to documents, we direct Judge Hastings to respond to the House's proposed documentary stipulations, filed December 15, 1988, by admitting the matters set forth in that submission and by admitting the admissibility of the documents listed by the House, or by serving and filing a specific objection that includes a proffer as to why the proposed stipulation concerning each document should not be taken as true and the particular document admitted into evidence.

Judge Hastings has had nearly four months to evaluate the House's proposed stipulations. We direct that Judge Hastings' response be submitted no later than May 10, 1989. This should be a reciprocal process. Although Judge Hastings has not proposed stipulations of his own, he may do so by May 10. If Judge Hastings does submit proposed stipulations by that day, the House should respond to them by May 24. The parties should engage in this process with an eye towards resolving problems. Consequently, if a disagreement about a proposed stipulation can be resolved by redrafting the stipulation to be more accurate, or can be resolved by providing access to a specific document, then we would expect the parties to work together to settle differences between them.

EVIDENTIARY PRINCIPLES

Sixth, the parties have expressed an interest in the evidentiary principles that will govern these proceedings. The committee's task is to receive and report evidence to the Senate. The Senate reserves the power to determine the competency, relevancy, and materiality of the evidence received by the committee. The committee is not bound by the Federal Rules of Evidence, although those rules may provide some guidance to the committee. Members of the Senate sit both as judges of law and fact. Precise rules of evidence are not needed in an impeachment trial to protect jurors, lay triers of fact, from doubtful evidence. In the end, the task of members of the Senate will be to weigh the relevance and quality of the evidence.

FINAL PRETRIAL STATEMENTS

Lastly, the parties should file final pretrial statements by a date that the committee will designate when it issues an order setting a date for the commencement of testimony. These statements should include a final list of witnesses with a brief statement of the nature of each witness's proposed testimony. The parties should also submit marked exhibits that each proposes to offer. Further, each party should set forth to the committee the legal principles that each believes is applicable to each article of impeachment, or, if appropriately grouped, set of articles. Although the committee will not reach conclusions of law, it is important for the committee, in determining the relevancy of evidence, to know from the parties the legal theories upon which each is proceeding. We will provide more detailed instructions to the parties about the contents of these pretrial statements.

DEFERRED MATTERS

The committee is continuing to consider Judge Hastings' application for defense funds. The committee is also continuing to consider a schedule for its evidentiary hearings. The committee expects to issue an order or orders on these matters within a week.

JEFF BINGAMAN,
Chairman.

APRIL 14, 1989.

II. IMPEACHMENT TRIAL COMMITTEE, DISPOSITION OF PRETRIAL ISSUES, SECOND ORDER

In the order of April 14, 1989, the committee reserved judgment on several pretrial issues. After further deliberations on April 19, 1989, the committee determined its schedule for the commencement of evidentiary hearings. This order sets forth that determination, several adjustments in the pretrial schedule established in the April 14, 1989 order that are appropriate in light of that trial schedule, and a schedule for further pretrial conferences with the chairman and the vice chairman. Judge Hastings' motion for defense funds remains under consideration.

COMMENCEMENT OF EVIDENTIARY HEARINGS

The committee has determined that evidentiary hearings shall begin on July 10, 1989. The articles of impeachment in this matter were exhibited to the Senate on August 9, 1988. The Senate, in Senate Resolution 480 of the 100th Congress, which the Senate agreed to on September 30, 1988, more than six months ago, directed the parties to be prepared by March 1, 1989, or more than seven weeks ago, to present their evidence in the forum to be designated by the Senate. That forum is this committee. The Senate allowed the March 1, 1989 date to pass in order to hear and decide Judge Hastings' motions to dismiss; but we should be reluctant to delay much further the taking of evidence.

In determining the schedule for these impeachment proceeds we must be mindful not only of the interests of the House, the Senate, and Judge Hastings, but also of the interests of litigants in the Southern District of Florida, who require the services of a full district court. We should make steady progress towards the completion of these impeachment proceedings in order to return Judge Hastings to the courtroom if he is acquitted or, if Judge Hastings is convicted, to allow the President to nominate and the Senate to confirm a replacement judge.

Accordingly, we cannot accept Judge Hastings' request for a delay of six months. We believe, however, that the schedule established by the committee will provide the parties with ample preparation time. The date that we have fixed, July 10, 1989, allows the parties more than eleven additional weeks to prepare for this impeachment trial.

REVISED STIPULATION SCHEDULE

Based on the setting of July 10, 1989 for the commencement of evidentiary hearings, the committee has revised the schedule for stipulations. Judge Hastings shall have until May 17, 1989 to respond to the stipulations of facts and documents proposed by the House. He shall also have until May 17, 1989 to propose his own stipulations to the House. The House shall have until June 7, 1989 to respond to any stipulations proposed by Judge Hastings.

FINAL PRETRIAL STATEMENTS

The April 14, 1989 order stated that the committee would designate a date for the filing of final pretrial statements when it issues an order setting a date for the commencement of testimony. Final pretrial statements shall be filed no later than June 21, 1989.

ADDITIONAL PRETRIAL CONFERENCES

In order to facilitate the preparation for trial, the chairman and vice chairman will meet with the parties on May 17, 1989, and again on June 22, 1989. At the May 17, 1989 conference, the parties should be prepared to discuss ways of reducing the numbers of witnesses to permit the completion of evidentiary hearings within a three-week period. The parties should consider, among other matters, whether the prior sworn testimony of any witnesses may be received in evidence as an alternative to the repetition of their testimony before the committee.

The parties should also be prepared to express their views on whether the evidentiary proceedings should be bifurcated by first receiving the evidence of both sides on Articles I through XV, the bribery and perjury articles (as well as their evidence on any aspects of Article XVII, the summary article, that are germane to those matters), and then receiving the parties' evidence on Article XVI, the wiretap disclosure article. The parties are invited to express their views in writing on these matters, and any other proposals they may have for the conduct of the evidentiary hearings, no later than May 10, 1989.

JEFF BINGAMAN,
Chairman

ARLEN SPECTER,
Vice Chairman

APRIL 21, 1989.

III. IMPEACHMENT TRIAL COMMITTEE, DISPOSITION OF MOTION REQUESTING FUNDS FOR RESPONDENT'S DEFENSE, THIRD ORDER

Upon consideration of the submissions of the parties on Judge Hastings' Motion Requesting Funds for Respondent's Defense, the committee has authorized the chair to issue the following ruling on behalf of the committee:

The committee has determined that it will not recommend to the Senate that the Motion Requesting Funds for Respondent's Defense be granted. Judge Hastings may renew his request for defense funds at the close of the Senate's proceedings on the Articles of Impeachment.

JEFF BINGAMAN,
Chairman.

ARLEN SPECTER,
Vice Chairman.

MAY 18, 1989.

IV. IMPEACHMENT TRIAL COMMITTEE, DISPOSITION OF PRETRIAL ISSUES, FOURTH ORDER

Upon consideration of the submissions of the parties and after hearing from them at the pretrial conference of May 18, 1989, the chair, in consultation with the vice chair, issues the following rulings on behalf of the committee:

STIPULATIONS

Senate Resolution 480 of the 100th Congress, which was agreed to on September 30, 1988, requested the parties to work together to stipulate to evidentiary matters that are not in dispute and to report to the Senate on the stipulations to which they had agreed. On December 15, 1988, the House served proposed documentary and factual stipulations. On February 20, 1989, the parties reported to the Senate that they had reached no agreement on any stipulations.

On January 17, 1989, by which time it may have become apparent that a voluntary stipulation process would not be productive, the House proposed that the Senate "adopt a rule that would hold that any proposed stipulation of fact filed with the Senate by a party to this proceeding will be accepted as true unless the opposing party files a written objection, including a proffer as to why the proposed stipulation of fact should not be taken as true." The House also requested that the Senate "adopt a parallel rule addressing the authenticity of documents, which would establish that any proposed stipulation regarding the admissibility of a document filed with the Senate by a party to this proceeding will be accepted as true unless the opposing party files a written objection, including a proffer as to why the proposed stipulation should not be taken as true." *Response of the House of Representatives to the December 12, 1988 Letter from the Senate Committee on Rules and Administration*, at 2-3.

On March 31, 1989, the House renewed its proposals on admissions concerning facts and documents, and resubmitted its stipulation of facts in revised form. In a filing with the committee on April 2, 1989, Judge Hastings stated his opposition to the House's proposals for stipulations prior to trial. *A Further Memorandum on Pre-Trial and Trial Procedures Necessary for a Trial that is Fair to Respondent*, at 31-32.

The committee heard oral argument by the parties on April 12, 1989, and issued its first order on pretrial issues on April 14, 1989. In that order, the committee adopted the House proposal that any proposed stipulation of fact be accepted as true unless the opposing party files an objection, including a proffer as to why the proposed stipulation should not be taken as true. A like rule was adopted for the stipulations as to documents. By its second order, dated April 21, 1989, the committee extended to May 17, 1989 the date for the filing of Judge Hastings' response to the House stipulations. The second order also extended until May 17, 1989, the date for Judge Hastings to file his own stipulations, which, like those of the House, would be accepted as true unless a specific objection was filed. Judge Hastings chose not to file his own stipulations.

Judge Hastings' Response to Stipulations Proposed by the House, which was received by telecopy on May 18, 1989, does not comport with the committee's order. Judge Hastings has in large part failed to respond to the stipulations proposed by the House. Although his response makes certain generalized objections, a few specific objections, and several generalized concessions, the committee in most cases is unable to determine Judge Hastings' position with respect to particular House stipulations. Instead, Judge Hastings, without having asked the committee to reconsider the April 14, 1989 order at any time between its issuance and the May 17, 1989 date for compliance, argues that he should not be required to take part in this process of identifying those matters that are not truly in contest. While the committee appreciates the inevitable burdens which these proceedings impose on all concerned, it believes that these burdens can best and most efficiently be discharged by complying with its orders, rather than by reiterating at length the difficulties of compliance.

The committee continues to believe that both parties as well as the Senate will benefit from a narrowing of the issues of those matters which are truly in dispute. The committee accordingly will review the stipulations proposed by the House and give careful consideration to any specific objections that it is able to identify in Judge Hastings' May 18, 1989 response and in any supplement that he may file to that response by June 1, 1989. Upon completion of its review, the committee will issue a ruling that sets forth the matters which shall be deemed to be found as true as a matter of record for purposes of the committee's evidentiary proceedings and its report to the Senate of matters that are not in dispute.

If Judge Hastings wishes to participate further in this process of distinguishing contested from uncontested issues, he may submit an additional response to the House's proposed stipulations on or before June 1, 1989. That response shall set forth for each proposed fact and each document his specific objection, or lack of objection, to each particular stipulation. In so doing, Judge Hastings should respond to each factual and documentary stipulation proposed by the House: for example, that a particular document is authentic or is a business or public record, or that a particular fact is true. He need not address whether a particular document or fact is relevant and admissible in evidence.

Although the House has referred to its "proposed stipulation[s] regarding the admissibility of a document," *see* page 2 *supra*, we agree with both parties that documentary admissions need go no further than the genuineness of the documented and, for those categories specifically identified by the House, their status as records of regularly conducted activities or public records, *see Proposed Stipulations of Documents*, filed December 15, 1988, at 1. Admissions concerning facts also need go only to their truth and not to their relevance.

DEPOSITIONS

By its April 14, 1989 order, the committee advised Judge Hastings that it would consider his request to take pretrial depositions if he provided a list of, and certain information concerning, his proposed deponents. Judge Hastings responded with a Request for Specific Depositions, filed on May 10, 1989, in which he asked that subpoenas be issued for sixteen individuals. The House, on May 16, 1989, filed a request for the issuance of deposition subpoenas, naming three individuals.

In ruling upon these requests, unprecedented in the context of an impeachment proceeding, the committee has been guided by whether a strong showing of need has been made. In particular, the committee has considered, first, whether or not there has been an adequate showing that the deposition could ascertain relevant evidence, and second, whether or not the parties already have a sufficient basis for trial preparation in any previous testimony by a proposed deponent.

For persons whom Judge Hastings designates as "Participants in Borders's Scheme," the committee declines to issue the requested subpoenas for Rebecca Sutton Nesline and Peter Chaconas. No showing has been made that either Rebecca Sutton Nesline or Peter Chaconas has knowledge of any matter relevent to the Articles of Impeachment. With respect to Joseph Nesline, before deciding whether a threshold showing has been made which might justify the issuance of a subpoena, the committee requests that the House make available to the committee the information in the House's possession concerning Mr. Nesline's competency as a witness.

The committee will grant Judge Hastings' request for the issuance of a subpoena to William Dredge for pretrial testimony. Although Mr. Dredge's testimony before the Eleventh Circuit Investigating Committee is available to Judge Hastings' counsel, the committee has decided to permit a pretrail examination of Mr. Dredge because Judge Hastings has argued that Mr. Dredge's testimony may be especially central to his defense. The committee requests that the parties confer with each other on arrangements for a pretrial examination of Mr. Dredge and that they advise the committee about available dates for that examination so that a subpoena may be issued for a suitable time.

Concerning the FBI and Justice Department officials for whom Judge Hastings requests the issuance of deposition subpoenas, Judge Hastings is ordered, on or before June 1, 1989, to provide the committee with a list of the three individuals, in order of priority, whom he deems most important to depose. In compiling that list, he should be mindful of whether or not he has access to the individual's prior testimony. He should also furnish to the committee at that time any supporting information, including documentation, which supports his claim that these persons possess knowledge relevant to the Articles of Impeachment, and shows that he is in fact unable to obtain information voluntarily from those persons. The committee will then determine whether it

will issue subpoenas for their pretrial examination.

With respect to the House requests, the committee declines to issue subpoenas for Marilyn Carter and Alan G. Ehrlich, both of whom have given previous testimony which is available to the House for its trial preparation. In contrast to Mr. Dredge, whose pretrial examination we will allow, there is no indication that either of these witnesses is sufficiently central to these proceedings to warrant the issuance of subpoenas for their pretrial examination. The committee has decided that a subpoena shall issue for Joanne Tyson Colt, who was a law clerk in Judge Hastings' chambers in October of 1981, who has never previously testified, and who has refused to be interviewed by the House. The requested subpoena shall issue for her pretrial testimony after counsel for the parties have advised the committee about available dates for Ms. Colt's pretrial examination.

CONDUCT OF EVIDENTIARY HEARINGS

Pursuant to the committee's second pretrial order, issued on April 21, 1989, the committee heard from the parties at the May 18, 1989 pretrial conference on various proposals concerning the conduct of the evidentiary hearings which shall begin on July 10, 1989. To the extent that Judge Hastings' submissions to the committee should be understood to be a request to postpone those hearings, that request is denied.

One of the issues that the parties addressed, at the committee's request, was whether the evidentiary proceedings should be bifurcated to permit the taking of each party's evidence first on the bribery and perjury articles and second, after receiving all the evidence on those matters, on the wiretap disclosure article. Judge Hastings objects to bifurcation because it would require him, if he testifies, to divide his testimony into two parts. We will respect Judge Hastings' objection and will not bifurcate the evidentiary hearings. The committee will accommodate the interest of the House in deferring, if it so wishes, the portion of its opening statement on the wiretap disclosure issue to the point in the presentation of its evidence when it is prepared to present its case on that issue.

At the May 18, 1989 conference, the parties also briefly discussed whether it would be appropriate to permit introduction of prior testimony, taken in *United States v. Borders, United States v. Hastings*, and before the Eleventh Circuit Investigation Committee, in place of taking live testimony before this committee. The committee believes that the use of such prior recorded testimony is desirable in certain circumstances, particularly, for example, where the testimony is not that of a key witness whose credibility is at issue, and encourages its use consonant with fairness to the parties and the development of a coherent record for use by the Senate.

Accordingly, both parties are directed to file and serve, no later than June 14, 1989, an identification of the prior testimony which, to the best of their knowledge, they in fact intend to offer into evidence. That identification shall: (1) specify the proceedings from which the proffered testimony is drawn, (2) append a copy of the proffered testimony, and (3) briefly state why the party believes that it would be appropriate to submit that particular testimony by way of prior recorded testimony rather than through a live witness. Each party shall in its pretrial statement on June 21, 1989, state, for each such proffer of prior testimony by the opposing party, whether or not it objects to introduction of that prior testimony and, if so, the specific nature of its objections.

The parties were also invited to suggest ways in which the evidentiary proceedings could be structured to permit the taking of evidence within a three-week period of time. In response, the House suggested that the committee adopt the procedure, used by United States District Judge Pierre Laval in the *Westmoreland v. CBS* defamation case, of dividing a predetermined number of hours between the parties, leaving each side free to determine how its case can best be presented within the available time. Judge Hastings has not responded to the particulars of the House proposal or offered any specific proposals of his own.

The committee believes that guidelines, fairly and flexibly applied, must be adopted to facilitate realistic trial preparation and to enable the Senate and the parties to focus on matters that will be important to the Senate's disposition of the Articles of Impeachment. In framing their final pretrial statements, due on June 21, 1989, and in preparing for the evidentiary proceedings which will commence on July 10, 1989, the parties should operate within guidelines premised on the availability of eighty trial hours during the course of three weeks of hearings. Reserving several hours for miscellaneous matters, the parties should anticipate that they will each have thirty-eight hours in which to present their evidence on all matters, dividing their time as each sees fit between direct and cross-examination. In addition, each party may present an opening statement of no longer than one hour, which, if either party wishes, may be divided into two portions.

The parties should address in their final pretrial statements of June 21, 1989, and be prepared to discuss at the pretrial conference on June 22, 1989, the amount of time which they intend to allocate to direct testimony, whether by prior or live testimony, and whether their preparation has shown that some modification of these guidelines is necessary. The committee is mindful that the foregoing guidelines may need adjustment, both before commencement of the evidentiary proceedings and in the course of those proceedings, and that there must, and will, be flexibility in their application.

An additional order providing further details about the required content of the final pretrial statements will be issued shortly.

JEFF BINGAMAN,
Chairman.
ARLEN SPECTER,
Vice Chairman.

MAY 24, 1989.

V. IMPEACHMENT TRIAL COMMITTEE, ORDER DESIGNATING CONTENTS OF FINAL PRETRIAL STATEMENTS AND OTHER MATTERS, FIFTH ORDER

By its first Disposition of Pretrial Issues, dated April 14, 1989, the committee provided for the filing of Final Pretrial Statements by the parties and described in general terms certain of the matters to be contained in them. By its Second Order, dated April 21, 1989, the committee ordered that the Final Pretrial Statements be filed no later than June 21, 1989. In this order, we provide further information about the required content of the June 21, 1989 Final Pretrial Statements, and address several other matters in preparation for the evidentiary hearings which shall begin on July 10, 1989.

A. *Final Pretrial Statements.*

The parties should:

1. *Statement of the Case.* Provide a brief and general statement of the case as the party intends to present it at the impeachment trial proceedings.

2. *Witnesses.* List the names and addresses of witnesses whom the party wishes to call, with a statement of the nature of their testimony sufficient to illustrate the relevance of that testimony to these proceedings. If any expert witnesses are listed, provide a brief statement of the subject of their testimony and their qualifications as experts. The witness list should be framed within the hourly guidelines articulated in the committee's Fourth Order.

The committee shall treat the inclusion of an individual's name on the witness list as a request to the Senate that a subpoena be issued to that individual requiring his or her appearance at the impeachment trial proceedings. Upon receipt of the Final Pretrial Statements, the committee shall determine which subpoenas shall issue.

Unless good cause be shown for failure to include a witness on the Final Pretrial Statement, the parties shall not be permitted to call as witnesses persons not listed on the Final Pretrial Statement. If a party believes that there is good cause for naming additional witnesses after the Final Pretrial Statement has been filed, it shall, as soon as such witnesses become known, file with the committee, and serve on opposing counsel, the names and addresses of those witnesses, the subject matter of their testimony, and show good cause for their late addition to the witness list. The requirements of this paragraph shall not apply to rebuttal witnesses.

In order to facilitate the orderly issuance of subpoenas, the parties shall periodically be requested to provide information to the committee concerning their order of proof. At the present time, the House is requested to indicate, to the extent currently possible, the order in which it intends to call its witnesses during the direct presentation of its case, and the estimated duration of each of those witnesses' direct testimony. In the event that information should change in the time before commencement of the impeachment trial proceedings on July 10, 1989, the House shall promptly advise the committee of that fact.

3. *Exhibits.* Provide a numbered index of exhibits which the party intends to offer at the evidentiary hearings. The index should provide a specific description of each listed document or item of evidence, and, if the document or item of evidence has previously been introduced in related prior proceedings, such as in *United States v. Hastings*, or before the Investigating Committee of the Eleventh Circuit, a citation to the particular location in the prior record where the document or item of evidence was introduced.

Both parties shall exchange copies of their numbered exhibits, including any tape recordings, and shall provide a copy of their exhibits to the committee, on or before June 22, 1989.

Both parties shall, on or before June 27, 1989, file and serve a statement for each document or item of evidence listed on the opposing party's witness list which unequivocally states whether objection is made to admission of that document or item without need for formal proof as to its authenticity or genuineness, and where appropriate, its status as a record of a regularly conducted activity or a public record. In the event that such objection is made, the basis

for the objection and the reason therefore shall be specifically stated.

The committee will review the foregoing statements and will enter an order stating whether, for each particular piece of evidence, the party offering the evidence need submit formal proof as to its authenticity, genuineness, or status as a record of a regularly conducted activity or a public record. Failure by the opposing party to make a reasoned and specific objection to any particular document or item of evidence will result in a finding by the committee that formal proof need not be made, but will leave the evidence subject to all other objections. It should also be noted that a finding that formal proof need not be made does not relieve the offering party of the need to explain the content or meaning of the document, should the party believe that such explanation is necessary.

Unless good cause be shown for failure to include a document or other item of evidence on the index of exhibits, documents or items not listed thereon shall not be introduced at the impeachment trial proceedings. If a party believes that there is good cause for amending its index of exhibits, it shall, as soon as the need for the amendment becomes known, file with the committee, and serve on opposing counsel, an amendment to the index together with copies of any new exhibit and a showing of good cause for their late inclusion on the index. The opposing party shall, three days after receipt of any such amendment, file and serve its objections regarding matters of formal proof to the exhibits included in the amended index.

4. *Prior Testimony.* The parties shall incorporate into their Final Pretrial Statements their June 14, 1989 filings identifying the prior testimony which they wish to offer into evidence. Copies of the proffered testimony, appended to the June 14, 1989 filing, need not be resubmitted.

With respect to each proffer of prior testimony identified by the opposing party in its June 14, 1989 filing, the parties shall state whether or not they object to introduction of that piece of prior testimony, and, if so, the specific nature of their objections.

5. *Conduct of Evidentiary Proceedings.* The parties shall state the amount of time which they intend to allocate to direct testimony, whether by prior or live testimony, and whether their preparation has shown that they anticipate any particular difficulties in the presentation of their case of which the committee should be made aware.

6. *Legal Matters.* The parties shall set forth the legal principles which each believes is applicable to each article of impeachment, or if appropriately grouped, set of articles, and which the party believes should guide the committee in determining the relevance and assessing the importance of particular evidence.

B. *Other Pretrial Matters.*

1. *William Borders.* On June 7, 1989, the committee adopted a resolution to direct the Senate Legal Counsel to apply to the United States District Court for the District of Columbia for an order immunizing from use in prosecutions any testimony by William A. Borders, Jr. The Senate Legal Counsel notified the Attorney General today, June 8, 1989, of the committee's intention to apply for an immunity order. The committee will be able to apply for that order on June 19, 1989, or on an earlier date if the Attorney General wavies the ten-day notice requirement provided for by the immunity statute.

Neither party placed Mr. Borders on its preliminary witness list, although Judge Hastings has sought to reserve the right to call him. The committee has determined that it is important to have, prior to the Final Pretrial Statements, a clear public record of the final determination of each party whether the party will call Mr. Borders as a witness and, if the party does not intend to call Mr. Borders, a statement of why the party will not call him as a witness. The statements of both the House and Judge Hastings on this matter should be filed with the committee by June 15.

2. *Pretrial Examinations.* The committee will grant Judge Hastings' request for pretrial examinations of Gerald McDowell, Robert Richter, and Peter Marcoline. The parties should confer with each other, and consult with the committee, about suitable dates for these examinations. As the parties have been advised, the committee is attempting to facilitate access to relevant documents of the Department of Justice, including the Federal Bureau of Investigation.

JEFF BINGAMAN,
Chairman.
ARLEN SPECTER,
Vice Chairman.

JUNE 8, 1989.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-121. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Commerce, Science, and Transportation.

"HOUSE RESOLUTION 359

"Whereas, the National Commission on Space has delcared that there is a need for improved education about the earth, the solar system and the universe, especially for the young as they plan careers; and

"Whereas, the University of Hawaii Institute for Astronomy has fostered the development of two of the State's highest peaks into world class scientific observatory sites; and

"Whereas, the Bishop Museum Planetarium, the University of Hawaii Onizuka Center for International Astronomy at midelevation on Mauna Kea, the Hilo campus Center for Astronomy and Space Education, the University of Hawaii Institute of Geophysics Pacific Regional Planetary Data Center, the Department of Education, and the Department of Business and Economic Development Office of Space Industry have growing space education programs; and

"Whereas, NASA has an ongoing program in research and educational activities which are relatively inaccessible to Hawaii's people, due to the distance of Hawaii from the National Air and Space Museum in Washington D.C. and NASA's regional facilities; now, therefore,

"Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, that NASA is urged to assist the Department of Education of the State of Hawaii with the teacher resource centers, teacher training services, science center planning, and programming for a summer space camp; and

"Be it further resolved that NASA is requested to bring its spacemobile vehicle to Hawaii in the near future for visits to public and private schools and the Bishop Museum Planetarium; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Administrator of NASA, Hawaii's Congressional Delegation, the Speaker of the U.S. House of Representatives and the President of the U.S. Senate, the Governor of Hawaii, the President of the University of Hawaii, the Superintendent of Education, the Director of the Department of Business and Economic Development, the President of the Hawaii Science Teacher's Association, and the Diretor of the Bishop Museum."

POM-122. A concurrent resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Commerce, Science, and Transportation.

"HOUSE CONCURRENT RESOLUTION 52

"Whereas, in 1984 Congress passed the Cable Communications Policy Act of 1984 ('Cable Act'); and

"Whereas, the Cable Act prohibits regulation of rates by franchising authorities, except where such authorities can demonstrate lack of 'effective competition'; and

"Whereas, the definition of 'effective competition' adopted by the Federal Communications Commission is such that there are very few places in the country where cable rates can be regulated; and

"Whereas, the Cable Act further prohibits regulation of cable television companies as a public utility; and

"Whereas, prior to the enactment of the federal Cable Act, the Department of Commerce and Consumer Affairs regulated rates charged for basic cable television service under Chapter 440G; and

"Whereas, since the deregulation of rates by the Cable Act, some cable companies in Hawaii and on the mainland have significantly raised rates and provide compelling evidence that the authority to regulate cable rates in all circumstances should be given back to the franchising authorities; and

"Whereas, the cable industry is a capital intensive industry which makes it economically impractical for companies to compete by overlapping their service in the same region; and

"Whereas, for all intents and purposes the cable television industry has all the major characteristics of a public utility but is not regulated as such; and

"Whereas, the foregoing suggests that cable television is a natural monopoly, that the 'effective competition' concept is erroneous, and accordingly, that rate regulation authority is needed; now, therefore,

"Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, the Senate concurring, that the United States Congress is urged to amend the Cable Act to allow appropriate rate regulation of cable television and to allow regulation of cable television as a public utility; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and Hawaii's congressional delegation."

POM-123. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION 192

"Whereas, Palmyra is an atoll in the middle of the Pacific Ocean approximately 960 nautical miles south southwest of Honolulu and 352 nautical miles north of the equator; and

"Whereas, the overall size of the entire atoll shelf is approximately 8,320 acres (13 square miles) with the dry area at high tide consisting of approximately 600 acres; and

"Whereas, Palmyra Atoll, the northernmost part of the Line Islands which also includes Kiritimati (Christmas), Tabuaeran (Fanning), and Teraina (Washington), is presently under the jurisdiction of the United States Department of Interior, Office of Territories as a U.S. possession; and

"Whereas, after it was first sighted in 1798, various individuals claimed ownership of Palmyra Atoll; finally, in 1922, the present owners, Leslie and Ellen Fullard-Leo, purchased the atoll from Judge Henry Cooper; and

"Whereas, during World War II, the U.S. Department of the Navy converted Palmyra Atoll into an air and sea base during which time substantial dredging and construction activities took place; and

"Whereas, following the War, the United States Government attempted to claim title to Palmyra Atoll; however, in 1947, the U.S. Supreme Court upheld the Fullard-Leos' claim, thereby confirming their legal ownership of the atoll; and

"Whereas, recently, the owners of the uninhabited Palmyra Atoll have placed it on sale for $33 million; and

"Whereas, given the worldwide recognition of the "Age of the Pacific", the acquisition of Palmyra Atoll by the United States could serve as a strategic move to take advantage of its unique geographic location for a variety of uses such as a sports and commercial fishing center, satellite launching site, off-shore banking, or a site for oceanic and atmospheric research; now, therefore,

"Be it further resolved by the House of Representatives of the Fifteenth Legislature, State of Hawaii, Regular Session of 1989, that this body urges the United States Congress to immediately acquire Palmyra Atoll; and

"Be it further resolved that the United States Congress is urged to subsequently include Palmyra Atoll as part of the State of Hawaii and then transfer ownership of the Atoll to the State, because of the State's long standing interest in Palmyra as a potential area for expanding Hawaii's fisheries, both recreational and commercial fishing development, and because of Hawaii's close proximity to Palmyra; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and members of the Hawaii Congressional Delegation."

POM-124. A joint resolution adopted by the Legislature of the State of Maryland; to the Committee on Finance.

"HOUSE JOINT RESOLUTION No. 23

"Whereas, The Social Security System was designed to be fair to all Americans; and

"Whereas, The 'notch year' benefit cut enacted by Congress in 1977 unfairly reduces Social Security benefits for up to 20 million retired workers born between 1917 and 1928; and

"Whereas, These discriminatory benefit cuts may be over 20 percent of some people's Social Security benefits and cost the individuals affected an average of about $660 per year; and

"Whereas, The projected annual surplus in the Social Security Trust Funds would enable Congress to remedy this injustice and restore a fair level of benefits to 'notch year' Americans without increasing scheduled payroll tax rates; now, therefore, be it

"Resolved by the General Assembly of Marlyand, That the General Assembly urges the United States Congress to adopt the program introduced into the last United States Congress by Senator Terry Sanford and Congressman Harold Ford to restore benefits which 'notch year' Americans have paid for and earned; and be it further

"Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Honorable George Bush, President of the United States, 1600 Pennsylvania Avenue, Washington, D.C. 20500; to the Honorable J. Danforth Quayle, Vice President of the United States, Old Executive Office Building, Washington, D.C. 20501; and the Honorable James C. Wright, Jr., the Speaker of the House of Representatives, Room H-204, The Capitol, Washington, D.C. 20515; and be it further

"Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Maryland Congressional Delegation: Senators Paul S. Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and Representatives Royden P. Dyson, Helen Delich Bentley, Benjamin L. Cardin, C. Thomas McMillen, Steny H. Hoyer, Beverly B. Byron, Kweisi Mfume, and Constance A. Morella, House Office Buidling, Washington, D.C. 20515; and be if further

"Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Honorable William Donald Schaefer, Governor of Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the Honorable R. Clayton Mitchell, Jr., Speaker of the House of Delegates."

POM-125. A joint resolution adopted by the Legislature of the State of Maryland; to the Committee on Finance.

"HOUSE JOINT RESOLUTION No. 18

"Whereas, the 100th Congress of the United States has enacted the Medicare Catastrophic Coverage Act of 1988, which provides covered individuals with additional health care; and

"Whereas, In addition to a $4 monthly premium increase to be paid by each covered individual, the Act has an unusual and unique procedure for revenue enhancement designated as a 'supplemental premium'; and

"Whereas, This 'supplemental premium' is in effect a surtax, which is based upon and is added to the initial tax obligation of persons receiving Medicare benefits or eligible for Medicare benefits; and

"Whereas, Those who must pay the surtax will have to pay the highest rate of personal income tax, rising from 15% in 1989 to 28% in 1993, with a maximum upper limit of an additional $2,100 per couple; and

Whereas, The surtax is directed primarily of those persons who are at or above retirement age (veterans, pensioners, and retirees) whether or not they are actually covered by Medicare or are receiving Medicare benefits; and

Whereas, The method of financing the cost of the new Act violates the long established Social Security principle that all who are likely to benefit from the system should contribute to the costs of the system; and

Whereas, This method of financing is an inappropriate burden to place on people living on fixed incomes, especially in view of the disproportionate growth in the costs of health care; and

Whereas, Because persons with higher incomes are taxed on a proportionately smaller amount of their total incomes, the ceiling placed on the yearly surtax also hurts persons in the low to middle income groups of the elderly; and

Whereas, The new Act does not offer senior citizens the protection they want most—long-term nonskilled care in the home or in residential facilities; and

Whereas, The costs to the insured are open-ended since the Act authorizes the Secretary of Health and Human Services to change premiums and copayments; and

Whereas, The costs to the insured penalize those who planned for their retirement and saved enough to still have a federal income tax obligation; and

Whereas, The costs of prescription drugs have been increasing at an annual rate faster than other health care costs, and the federal government does not have a method to control these costs, especially the costs of manufacturing drugs; now, therefore, be it

"Resolved by the General Assembly of Maryland, That the State of Maryland urges the President and the Congress of the United States to take necessary action to reconsider and amend the Medicare Catastrophic Coverage Act of 1988 to relieve the elderly from provisions of this tax burden by more evenly spreading the cost of catastrophic health insurance among all taxpayers, and to control the costs of prescription drugs in anticipation of Medicare's coverage of prescription drugs in 1991; and be it further

"Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Honorable George Bush, President of the United States, 1600 Pennsylvania Avenue, Washington, D.C. 20500; the Honorable J. Danforth Quayle, Vice President of the United States, The Capitol Building, Washington, D.C. 20510; and the Honorable Jim Wright, Speaker of the United States House of Representatives, Washington, D.C. 20515; and be it further

"Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Reference to the Maryland Congressional Delegation: Senators Paul S. Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and Representatives Royden P. Dyson, Helen Delich Bentley, Benjamin L. Cardin, C. Thomas McMillen, Steny H. Hoyer, Beverly B. Byron, Kweisi Mfume, and Constance A. Morella, House Office Building, Washington, D.C. 20515."

POM-126. A resolution adopted by the Senate of the State of Michigan; to the Committee on Finance.

"SENATE RESOLUTION No. 96

"Whereas, For several years the Michigan State Housing Development Authority (MSHDA) and similar agencies all across the country have been utilizing Mortgage Revenue Bonds (MRBs) to offer low-cost loans for home mortgages and home improvements. Loan money made possible through these bonds has been targeted to assist people of low and modest incomes. Through MSHDA's programs, the money

from these bonds has also helped revitalize neighborhoods; and

"Whereas, As a provision of the 1988 Technical Corrections Act, however, Mortgage Revenue Bonds cannot be used for housing after December 31, 1989. This sunset date threatens a uniquely successful public-private vehicle that has encouraged construction and provided highly productive economic activity in communities throughout Michigan; and

"Whereas, Mortgage Revenue Bonds have financed homes in every county in Michigan, helping thousands of families realize the dream of home ownership. Of the 28,000 homes for families with average incomes below $22,000 provided through Mortgage Revenue Bonds, ninety percent represented the purchase of a first home. There can be little doubt that the lower interest rates and down payments of mortgages financed through Mortgage Revenue Bonds have enabled a great number of people to purchase a home who would otherwise be unable to become homeowners; and

"Whereas, There are two bills presently before Congress (S 355 and HR 1200) that would extend Mortgage Revenue Bonds until 1992. Given the effectiveness of the programs using these bonds to finance housing, it would seem wise to enact such legislation in order to continue a concept that has clearly worked well; now, therefore, be it

"Resolved by the Senate, That we hereby memorialize the Congress of the United States to enact appropriate legislation to extend the sunset date of Mortgage Revenue Bonds to permit their use for housing beyond December 31, 1989, and until 1992; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM-127. A concurrent resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION 362

"Whereas, the Medicare Catastrophic Expansion Act of 1988 (PL 100-360, 102 Stat. 683) is of great importance to all Americans, particularly the elderly who are most liable as a group to have extended and costly illnesses; and

"Whereas, the Act was intended to provide for the most serious needs of the largest number of people and to provide a broad cover of protection for those who can least afford long illnesses; and

"Whereas, the cost of the Act was expected to be minimal and to be spread equitably across all of the beneficiaries in order to be affordable, so that the elderly would not be singled out for higher taxes than others; and

"Whereas, information now shows that too few of the promises of the Act will be fulfilled under its restrictive and complex regulations, which impose significant tax impacts on the elderly; and

"Whereas, the elderly must now pay not only a premium for the benefits but a surtax as well, and those who already have other comparable insurance coverage must nonetheless pay the premium and the surtax; and

"Whereas, the problems generated by the Act have aroused an unusually high level of opposition, as shown by recent bills introduced in Congress to repeal or modify the Act, by numerous petitions signed by citizens against the Act, by syndicated journalists' negative articles in nationally-known newspapers and periodicals, and by individual and organizational complaints; now, therefore,

"*Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, the Senate concurring,* That the Congress of the United States of America is requested to cease implementation of the Medicare Catastrophic Coverage Act until the Congress can thoroughly review the Act and modify it as necessary; and be it further

"*Resolved,* That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and Hawaii's Congressional delegation."

POM-128. A concurrent resolution adopted by the House of Representatives of the State of Texas; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION 13

"Whereas, Inequities in the current Medicare reimbursement system have placed undue financial hardships on small rural hospitals, resulting in the closure of a number of these facilities; and

"Whereas, Under the present system, rural hospitals receive substantially less Medicare reimbursement than their urban counterparts; estimates compiled by the Texas Hospital Association indicate that the amount of reimbursement to rural facilities may be as much as 25 to 50 percent below the amount reimbursed to larger urban hospitals for similar services; and

"Whereas, At the same time, the gap between actual hospital costs and Medicare reimbursements continues to widen; between 1983 and 1987, the annual price updates for hospital payments under Medicare increased by 9 percent while actual hospital costs rose by more than 18 percent; and

"Whereas, Rural hospitals are particularly affected by these discrepancies because of the high percentage of elderly Medicare recipients living in rural areas; and

"Whereas, In Texas alone, at least 60 hospitals have closed their doors since October 1983; 23 of these closures have occurred in counties with populations under 25,000; and

"Whereas, Currently, 48 Texas counties have no hospital facilities at all; in many instances, hospital closures have resulted in an exodus of the physicians who formerly practiced in rural communities; and

"Whereas, Adequate and convenient medical care must not become a luxury afforded only to those living in metropolitan areas; by increasing Medicare reimbursement levels to rural hospitals, we can help ensure the continued availability of vital medical facilities for all our citizens; now, therefore, be it

"*Resolved,* That the 71st Legislature of the State of Texas hereby requests the Congress of the United States to propose legislation designed to increase the level of Medicare compensation to rural hospitals; and, be it further

"*Resolved,* That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the congress, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-129. A resolution adopted by the Senate of the State of Michigan; to the Committee on Foreign Relations.

"SENATE RESOLUTION NO. 107

"Whereas, The Republic of Lebanon has traditionally been a bastion of democracy and western values in the Middle East. The Republic of Lebanon and its people have made significant contributions to western civilization and culture, and with two-and-one-half million Americans of Lebanese descent living in our nation, there are strong ties between the people of the United States and Lebanon; and

"Whereas, the Republic of Lebanon is presently in peril of losing its identity as a free, sovereign, and independent state. The government of Lebanon is in a state of paralysis, and there can be no lasting peace in the Middle East without firmly reestablishing the national rights of the Lebanese people and sovereignty and independence of Lebanon; and

"Whereas, the United States is a champion of democracy and human rights throughout the world. Lebanon has been a major catalyst of democracy in the Middle East. Few countries in the Middle East can legitimately claim practicing such a political system. It behooves the United States, the friend of democracies wherever they exist, to do Lebanon justice and help Lebanon to once again stand on its feet and be, as it always was, the true friend of America; now, therefore, be it

"*Resolved by the Senate,* That the Congress of the United States, in recognition of the special relationship between the United States and Lebanon, and in recognition of the grave and immediate dangers to Lebanon, unequivocally support the sovereignty, integrity, and independence of the Republic of Lebanon within its internationally recognized borders; and be it further

"*Resolved,* That the United States Congress support a strong representative central government in Lebanon, and an accelerated buildup of a strong national army that would have the support and confidence of the Lebanese people; and be it further

"*Resolved,* That the United States Congress deplore the violence and killings which have taken place in Lebanon since 1975, especially the recent slaughter of innocent civilians in Beirut; and be it further

"*Resolved,* That Syria's military forces should withdraw from Lebanon because they no longer fulfill their original mandate as a 'peacekeeping' element in the beleaguered nation. This withdrawal should be immediate from all of Lebanon and should include all foreign troops; and be it further

"*Resolved,* That a free presidential election be guaranteed, under the auspices of the United Nations, whose result truly reflects the will of the people rather than that of the armed foreign elements occupying Lebanon; and be it further

"*Resolved,* That the United States Congress affirms that only an expanded role of the United Nations peacekeeping * * * central Lebanese government to build up the central army and begin the political and economic process of restoring the country; and be it further

"*Resolved,* That the Congress of the United States urge the administration to support the central Lebanese government toward the necessary disarming of all armed militians within Lebanon, and approve a

major foreign aid program to fund major reconstruction, and most importantly, send immediate emergency medical aid, and fund major humanitarian programs for rehabilitating the thousands of physically and psychologically damaged citizens, especially the children and orphaned; and be it further

"*Resolved,* That a copy of this document be presented to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM-130. A petition from a citizen of Campbell, California relating to the National debt; to the Committee on the Judiciary.

POM-131. A petition from a citizen of Fayetteville, Arkansas relating to the National debt; to the Committee on the Judiciary.

POM-132. A petition from a citizen of Santa Ana, California relating to the National debt; to the Committee on the Judiciary.

POM-133. A petition from a citizen of San Marcos, California relating to the National debt; to the Committee on the Judiciary.

POM-134. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Veterans' Affairs.

"SENATE JOINT RESOLUTION 8

"Whereas, Montana's Fort Harrison was the initial training site for the First Special Service Force; and

"Whereas, the 'Force' was a combination of United States Army and Canadian troops that fought under United States command, in United States battle zones, wearing United States uniforms; and

"Whereas, the 'Force' distinguished itself as a superior United States combat unit; and

"Whereas, many Canadian members of the 'Force' who returned to Montana following World War II were denied United States veterans' benefits.

"*Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:*

"(1) That the 51st Montana Legislature encourage the United States Congress to grant full veterans' benefits to Canadian First Special Service Force members now living in the United States.

"(2) That the Secretary of the Senate send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Montana Congressional Delegation."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. D'AMATO:

S. 1154. A bill to allow the obsolete destroyer U.S.S. Edson (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable 60-day congressional review period; to the Committee on Armed Services.

By Mr. PRYOR (for himself, Mr. BUMPERS, Mr. KENNEDY, Mr. LUGAR, Mr. PELL, Mr. SIMON, and Mr. LOTT):

S. 1155. A bill to amend the Internal Revenue Code of 1986 to provide that certain educational and training grants to nonresident aliens shall be exempt from income tax and for other purposes; to the Committee on Finance.

By Mr. BOND:

S. 1156. A bill to promote exports and export market development by increasing the activities and resources of the United States and Foreign Commercial Service and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EXON (for himself and Mr. KERREY):

S. 1157. A bill to amend the Internal Revenue Code of 1986 to allow individuals who do not itemize deductions to deduct losses from failed financial institutions which are treated as ordinary losses; to the Committee on Finance.

By Mr. CRANSTON:

S. 1158. A bill to amend chapter 37 of title 38, United States Code, to restructure the loan guarantee provided under such chapter and to ensure the solvency of the housing loan guaranty program conducted under that chapter; to the Committee on Veterans' Affairs.

By Mr. BAUCUS:

S. 1159. A bill to amend the Federal Noxious Weed Act of 1974 to establish a Center for Noxious Weed Management and Data Collection, to provide for a coordinated management plan for the control of noxious weeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PRYOR (for himself, Mr. BUMPERS, Mr. KENNEDY, Mr. LUGAR, Mr. PELL, Mr. SIMON, and Mr. LOTT):

S. 1155. A bill to amend the Internal Revenue Code of 1986 to provide that certain educational and training grants to nonresident aliens shall be exempt from income tax, and for other purposes; to the Committee on Finance.

INTERNATIONAL SCHOLARSHIP TAX CORRECTION ACT

● Mr. PRYOR. Mr. President, I am pleased to announce today that I am introducing the International Scholarship Tax Correction Act of 1989. Although international educational exchange programs are increasingly important to U.S. economic, educational, and foreign policy interests, recent tax policy changes are severely hampering these vital international linkages. This bill addresses these problems, correcting some unintended effects of the modifications made in scholarship taxation by the Tax Reform Act of 1986.

Joining me as original cosponsors of this important legislation are Senators BUMPERS, KENNEDY, LUGAR, PELL, SIMON, and LOTT. It is my hope that other Senators will support this bill and pass it promptly before more damage is done to the Fulbright and other international educational exchange programs which serve our national interests in so many ways.

One does not need to look hard to see how effective international exchange programs are in furthering peace and international understanding. Just to cite one example, the United States can see the fruits of our small investments in international exchanges in the changes currently unfolding in the Soviet Union. Although the number of exchanges with the Soviet bloc has been very limited over the years, many of those who have participated in these exchanges are now serving key roles in the dramatic and positive transformation of Soviet society now taking place. For example, Aleksandr Yakovlev, who was a United States Government-sponsored IREX scholar at Columbia University in 1959 is now a member of the Soviet Politburo and a close advisor to Mikhail Gorbachev. I am sorry to report, however, that we have not been able to sustain the graduate and senior-level exchanges with the Soviet Union that brought Yakovlev to the United States, let alone take advantage of current opportunities to expand them, to a large extent because of the costs of new scholarship tax requirements.

There is little doubt in my mind that the Fulbright Program is one of the most successful and innovative foreign policy initiatives this Nation has undertaken in the post-war era. No others of which I am aware have built so much good will abroad for this Nation or established such important relationships with leaders of other nations. A recent survey discovered that 34 Japanese Ambassadors are alumni of the Fulbright Program, as are 16 presidents of major Japanese universities. At the same time, no other programs have done so much to advance our understanding of other cultures. Building such expertise needs to be a major concern of the United States as we strive to be more effective in the new international marketplace in which we are currently floundering. Unfortunately, since 1986 when these tax policies went into effect, the number of participants sponsored under the Fulbright Program have declined by nearly 13 percent. Once again, a major cause of this decline has been the impact of new scholarship tax policies which have added very substantial unavoidable costs and required reductions in the number of grants given.

A similar situation is found with regard to the Agency for International Development's Participant Training Program, which annually brings about 17,000 young people from developing nations to the United States for education and training. Over the years, AID's education and training activities have proven to be one of our best investments in sustainable Third World Development. In today's world a country simply cannot advance without skilled leadership, and democratic institutions cannot be maintained without an educated population. While we lack the funds and other resources to

solve many of the problems developing nations are facing, we do have a great system of higher education which can make tremendous contributions in developing the human resources these nations need to advance. Yet, AID estimates that as much as $8 million of its funding for the Participant Training Program will be lost this year due to the scholarship tax requirements imposed by the Tax Reform Act of 1986. Eight million dollars can buy a lot of education for needy developing country students.

While these federally funded exchanges are extremely important, they constitute only a small part of the impressive set of programs and linkages through which we exchange students, scholars, and others with foreign nations. The German Marshall Fund, the Harkness Fellowships, Rotary International, and countless other private programs make major contributions to international exchanges.

Altogether more than 350,000 foreign students attend our higher education institutions each year, bringing a much-needed international dimension to our often far too parochial campuses. Many of these students will soon assume high leadership positions in their nations. Consider how much the United States has gained by educating leaders such as President Corazon Aquino of the Philippines, President Oscar Arias Sanchez of Costa Rica, and Prime Minister Benazir Bhutto of Pakistan.

However, the reports from all privately funded programs reveals the same situation as that experienced by Federal programs. Recent tax policies are forcing reductions in the number of scholarships provided and they are doing great damage to our relationship with exchange participants and foreign nations.

Having served on the Committee on Finance during the development of the Tax Reform Act of 1986, I know it was not our intention to damage international exchanges. However, all of us closely involved in the development of the act knew we could not make such sweeping changes in tax policy without inadvertently damaging some important and useful programs. This is one of those cases. Now we must take the time to fix it.

As you may recall, the act made some substantial changes to section 117 of the Tax Code which governs the taxation of scholarship income. A total exclusion of scholarship income for individuals who are degree candidates was replaced with a partial exclusion for scholarship amounts used for qualified tuition and other expenses. The act also eliminated the existing partial exclusion of scholarship income for those who are not degree candidates.

These changes were made to make the Tax Code more equitable in its treatment of students in general, since those individuals not on scholarships generally have to pay taxes on the income they use to pay for their educations. Furthermore, the change was aimed at those with fairly large incomes. We assumed that the change would have little or no impact on low-income students, since the act increased substantially the standard deduction and the personal exemption. This, it was thought, would mean that students on modest scholarships would probably have no taxable income by the time the amount of their scholarship was reduced by these amounts.

Several factors have prevented these assumptions from proving true in the case of scholarships awarded for international exchange programs. We did not take into account that foreign recipients of scholarships, as nonresident aliens, cannot take the standard deduction and are limited to one personal exemption. This means that foreign exchange participants on our campuses are this year taxed on all amounts above $1,950, whereas scholarship recipients who are U.S. citizens may well only be taxed on amounts in excess of $10,000.

Thus, there is a fundamental inequality built into our current policy regarding the taxation of scholarship income. Needless to say, such inequality of tax treatment is antithetical to the basic principle of reciprocity which governs international exchange programs. It is strangely ironic that this inequality should be the result of our effort in the Congress to provide equity of tax treatment for income devoted to educational purposes.

There are further inequalities in our current scholarship tax policy as it applies to international scholarship awards. We impose withholding and reporting requirements on scholarships awarded to foreign students and scholars while no such requirements are imposed on those who are U.S. citizens or resident aliens. This translates into two inequities. First, it requires international exchange scholarship programs to develop and maintain an administratively costly withholding system, which takes away funds which would otherwise be used for scholarships. Thus, many foreign individuals simply do not receive scholarships because there are fewer of them. Second, it means that U.S. recipients have full access to their scholarship funds, while foreign recipients do not.

Of course, we generally apply more restrictive withholding requirements on foreign taxpayers because of the increased difficulties our tax authorities may face in collecting delinquent tax payments when the taxpayer is back in his or her home country. While I understand this general principle and support it, I think there are more important purposes to be served in this case—to preserve the reciprocity of our international exchange programs, particularly when we consider the amount of income to the Treasury involved which is very small. We should, I believe, view exchange participants as special guests in our country and should not subject them to such requirements, particularly if they are not required of our students. Since I understand the IRS has waived withholding requirements on foreign gamblers, I think it is highly inappropriate to impose such requirements on a visiting Fulbright scholar.

Finally, we have faced a very serious inequality in our treatment of funds coming from abroad for foreign students and scholars to undertake educational programs in the United States. We do not know of a single other nation that subjects to taxation the funds a student brings from the United States to finance his or her educational program. Yet, until very recently it has been the policy of the U.S. Government to tax the scholarships foreign students bring to pay for their education in the United States. As you can well imagine, foreign governments who finance educational programs for large numbers of individuals in the United States as well as other foreign scholarship donors have been extremely distressed regarding this policy.

Happily in this case, the Internal Revenue Service issued a revenue ruling on May 15 which resolves most of this problem. The ruling declares that most scholarship payments coming from abroad to finance educational programs of nonresident aliens will generally be considered to be foreign source income for tax purposes and will not be subject to taxation. I commend the Service for taking this very useful and sensible step. Nonetheless, there may be some remaining technical problems regarding this area which my bill addresses.

The International Scholarship Tax Correction Act aims to deal with the damaging problems outlined above by redressing the inequalities now found in the Tax Code. The bill would: equalize the actual tax liability between foreign and U.S. recipients of scholarships; eliminate withholding requirements for nonresident alien recipients; and exclude from taxation all foreign funds which are provided as scholarships to foreign recipients, including contributions foreign sources make to our programs such as the funds foreign governments provide each year to the Fulbright Program.

More specifically, section 1(a) of the bill would amend section 872(b) of the Tax Code to establish an exclusion from gross income for certain grants provided to F, M, or J visa holders. In the case of qualifying foreign grants,

the entire amount is excludable from income under this provision. In the case of qualifying domestic grants, the amount of the exclusion is limited to the amount of gross income which would not be taxable income if received by a U.S. citizen or resident—that is, because of the standard deduction and personal exemptions such individuals can utilize to reduce their taxable income.

Section 1(b) of the bill is a conforming provision that avoids double counting of the single personal exemption amount to which nonresident aliens are entitled. This prevents foreign recipients from obtaining a more favorable tax position than that enjoyed by a U.S. citizen or resident through these provisions.

Section 1(c) amends section 1441(c)(6) of the Code to provide an exemption from withholding requirements for payments made in the form of grants to foreign recipients as defined above.

Section 1(d) deals with effective dates, making the new exclusion available for taxable years beginning after December 31, 1988, and the withholding exception effective on the date of enactment.

To summarize, this bill asks only that we provide a level playing field regarding the taxation of scholarship grants for international exchange programs. For reasons which only became apparent after passage of the Tax Reform Act of 1986, the changes the act made to section 117 of the Tax Code have created fundamental inequalities which require statutory corrections. The United States is currently not treating foreign recipients of Fulbright and other awards fairly. Because of the reciprocal nature of these programs this is not a tolerable situation and it must be corrected. The International Scholarship Tax Correction Act of 1989 would accomplish this crucial goal so our exchange programs can grow, flourish, and fulfill the vital national purposes they are intended to serve.

I want to note in closing that the distinguished senior Senator from Indiana [RICHARD LUGAR] has also proposed legislation to deal with these problems. I want to commend him for his initiative and express my support for his proposal. The provision Senator LUGAR has proposed would address more completely than my bill the pressing problems AID and USIA programs are facing by providing a total exclusion from taxation for payments made to nonresident alien participants of their programs. There clearly are compelling arguments for such a policy. It makes no sense from a fiscal or administrative point of view to subject the appropriations we struggle to provide these small but valuable programs to taxation and costly administrative procedures. It makes even less sense to subject the future world leaders sponsored on these programs to the complicated and unfair tax rules we now impose. If Aleksandr Yakovlev came on an IREX scholarship today and faced these bewildering tax requirements, I seriously doubt he would suggest to Michael Gorbachev that the Soviet Union should move closer to our system of Government. However, Senator LUGAR's proposal would not address the tax problems privately funded international exchange participants are now facing. The best solution, I believe, would be to enact both proposals.

Our international exchange programs are too important to this Nation to allow them to be seriously eroded and damaged by a poorly conceived tax policy. Although it was not our intention to establish such a policy in 1986 that is what we did. Now we need to correct these problems. I urge my colleagues to support this vital legislation.

Mr. President, I ask for unanimous consent that a copy of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF EDUCATIONAL AND TRAINING GRANTS RECEIVED BY NONRESIDENT ALIENS.

(a) EXCLUSION FROM GROSS INCOME FOR CERTAIN EDUCATIONAL AND TRAINING GRANTS.—Subsection (b) of section 872 of the Internal Revenue Code of 1986 (relating to exclusions from gross income of nonresident alien individuals) is amended by adding at the end thereof the following new paragraph:

"(7) EDUCATIONAL AND TRAINING GRANTS—

"(A) IN GENERAL.—In addition to amounts excluded from gross income under other sections of this subtitle, amounts—

"(i) which are received by a nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F), (J), or (M) of section 101(a)(15) of the Immigration and Nationality Act,

"(ii) which are granted directly or indirectly by—

"(I) a foreign government,

"(II) an international organization, or a binational or multinational educational and cultural foundation or commission created or continued pursuant to the Mutual Educational and Cultural Exchange Act of 1961, or

"(III) the United States (or an instrumentality or agency thereof), a State, a possession of the United States, any political subdivision of the foregoing, the District of Columbia, or any organization created or organized in the United States which is described in section 501(c)(3) and exempt from tax under section 501(a), or

"(IV) any organization created or organized outside of the United States which is described in section 501(c) (3) or (4), as or incident to a scholarship or fellowship for study, training, teaching, research or career development in the United States, and

"(iii) which are described in subparagraph (B) or (C).

"(B) GRANTS MADE FROM FUNDS FROM FOREIGN SOURCES.—An amount is described in this subparagraph to the extent that the amount is attributable to funds provided directly or indirectly by an entity described in subclause (I), (II) or (IV) of subparagraph (A)(ii). Amounts provided to nonresident aliens by an entity described in subclause (III) of subparagraph (A)(ii) are described in this subparagraph (and are not described in subparagraph (C)) if such amounts are attributable to funds provided directly or indirectly to the subclause (III) entity by an entity described in subclause (I), (II), or (IV).

(C) GRANTS MADE FROM FUNDS FROM UNITED STATES SOURCES.—An amount is described in this subparagraph to the extent that—

"(i) such amount is attributable to funds provided directly or indirectly by an entity described in subclause (III) of subparagraph (A)(ii), and

"(ii) the aggregate of such amounts received by the taxpayer during any taxable year does not exceed the sum of—

"(I) the amount of the standard deduction as described in section 63(c) without regard to paragraph (6)(B), and

"(II) the aggregate amount of the deductions for personal exemptions under section 151, to which such individual would be entitled for such year if such individual (and his spouse, if any) were citizens of the United States."

(b) CONFORMING AMENDMENT TO AVOID DOUBLE-COUNTING OF PERSONAL EXEMPTION AMOUNTS.—Paragraph (3) of section 873(b) of the Code is amended by adding at the end thereof the following sentence:

"The deduction allowable under section 151 shall be reduced by the amount that is excluded from the taxpayer's gross income by reason of section 872(b)(7)(C)."

(c) EXEMPTIONS FROM WITHHOLDING TAXES.—Paragraph (6) of section 1441(c) of such Code (relating to exceptions to withholding) is amended to read as follows:

"(6) AMOUNTS INCIDENT TO CERTAIN EDUCATIONAL AND TRAINING GRANTS.—No tax shall be required to be deducted and withheld under subsection (a) from any amount which is received by a nonresident alien and attributable to funds provided directly or indirectly by an entity described in section 872(b)(7)(A)(ii) (I), (II), (III) or (IV) as or incident to a scholarship or fellowship for study, training, teaching, research or career development."

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1988.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall apply to payments made after the date of the enactment of this Act.●

By Mr. BOND:

S. 1156. A bill to promote exports and export market development by increasing the activities and resources of the United States and Foreign Commercial Service, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT PROMOTION AND MARKET DEVELOPMENT ACT

Mr. BOND. Mr. President, trade continues to be an issue that dominates

the attention of policymakers in Washington and business leaders throughout the Nation. Major trade-related initiatives are almost always at the top of the news these days—most recently it was the Super 301 designations, last year it was the Omnibus Trade bill, before that it was the free trade agreement with Canada.

This, of course, is a direct reflection of the fact that trade is becoming critical to the health of our economy—a point which becomes more and more pressing every day.

In the past we have been able to maintain the world's strongest economy while turning in relatively poor showings in the trade area. For example, the administration has estimated that fewer than 250 firms now account for 85 percent of our exports, and that 45,000 firms which could be exporting are not doing so.

The days when we can get by with this lackluster performance are quickly passing. If we are to maintain our economic muscle and our position as the world's leading economy, it is critical that we take a worldwide view and take it now. We have all heard it before; we've all said it before—but we need to get more U.S. companies exporting more goods overseas.

To accomplish this goal will take a national effort with leadership from the top levels of Government. We have seen some of this in recent years, but we need to go so much further.

We in the Senate spend a significant amount of time talking about international trade. We invest a lot of effort in passing measures intended to open markets, level playing fields, and force other countries to trade fairly.

These are all important goals, and many of the measures we have passed will help us in our effort to expand our overseas sales and to increase our share of the world market. But these are all defensive measures. No matter how good your defense is, you can't win the game if you don't field an offense.

An issue that we almost never discuss in the Senate is how to go about fielding a good offense once the playing field has been leveled. I am concerned that we have not taken the steps necessary to ensure that American businesses will be able to move into new markets once the opportunities arise. A level playing field will do us little good if we do not have a team ready to take the field.

If small businesses are going to enter foreign markets with which they have no experience, they are going to need assistance and guidance. They will need trade leads, they will need counseling from trade experts, and they may need help with financing.

The Federal Government has agencies which exist to provide these services. Unfortunately, in recent years they have not been given the resources they need to do their job. The United States and Foreign Commercial Service, our lead export promotion agency has weathered 5 years of budget reductions. The Export-Import Bank which exists to support export financing, has seen its resources slashed over the same period.

Fortunately, the States and some local governments have moved in to fill part of the void. Almost all States have now established international business offices and many now have offices overseas.

My State is a good example. During my terms as Governor of Missouri, we greatly expanded overseas operations, opening offices in Germany and Japan, and laying the groundwork for offices in Korea and Taiwan which have since opened. I pushed Missourians to look overseas and I traveled throughout the world promoting Missouri products, attending trade shows with Missouri business owners, and meeting with Government leaders to help the State get a larger share of the world market.

I am proud to say that we had quite a few successes. Many Missouri enterprises—in agriculture, aerospace, chemicals and machinery, to name just a few—are actively selling overseas. Our companies now are exporting everything from the world's finest fighter planes to wontons filled with Missouri catfish.

However, the States cannot do it alone. They need the leadership of the Federal Government. No State can match the resources of the Commerce Department in gathering trade leads, for example, and it would be a mistake for any State to try.

Mr. President, the tiny amount that we in the United States spend to promote American products overseas is truly appalling. When we compare it to that spent by our trading partners, it is easy to see one reason why they are leaving us behind in the international marketplace. For example, we spend a meager $1.20 per capita on export promotion compared to $21.44 for Canada, $8.72 for Sweden, and $6.19 for France. While I realize Government spending is not necessarily the best measure of our competitiveness, this clearly does show the low national priority we place on exporting compared to our trading partners.

Today I am introducing a bill to begin to address these problems, the Export Promotion and Market Development Act of 1989. The bill authorizes desperately needed resources to the Federal agencies which exist to help exporters compete overseas and targets available resources so that we can do a better job.

First, it strengthens the Department of Commerce's trade promotion activities, particularly those of the United States and Foreign Commercial Service, by restructuring to give the Service new tools to use in serving exporters.

Second, it strengthens some of the important programs conducted by the Export-Import Bank and makes changes which will allow the Bank to serve its customers better.

Third, it attempts to remove laws which act as barriers to U.S. exports and prevent new regulations from impeding exports in the future.

Finally, it provides incentives for our children to learn more about the world and to study the languages which are critical if they are to be the successful business leaders of the future.

Mr. President, in developing this bill, I have spent more than a year consulting with exporters, bankers, trade specialists in both the Federal and State Governments, and representatives of many associations including the National Association of State Development Agencies, the Export Managers Association of California, and the National Foreign Trade Council, U.S. Chamber of Commerce, I believe this bill addresses many of the concerns that were raised by the members of those groups.

No one can dispute that we are entering a new era in which a global economy and a global society is evolving. Americans have always been pioneers changing to meet the challenges of a changing world. Today our challenge is to be competitive participants in this new global economy, and to do that we must become more aggressive in overseas markets. At the same time, we must begin the process of becoming more worldly as a society. To be successful in this effort, we must make these objectives a national priority.

Unless we in Washington are willing to take the first steps toward placing a national priority on export promotion and market development, we cannot expect our large or small businesses, our financial institutions, or even our citizens to make that commitment. For too long, we have relied upon the richness of our vast domestic consumer market and we have lost, in some ways, our drive to be competitive in those smaller, yet vitally important, markets overseas. We need to elevate exporting to a top level national priority with leadership from the highest levels of government, business, and education. I hope that my colleagues will agree and support the important provisions contained in this measure.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Promotion and Market Development Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) increasing exports by United States businesses is critical if the United States is to maintain its position as a leader in the world economy;

(2) the United States as a nation must make a commitment to increasing its involvement in world trade and increasing exports;

(3) if the United States is to achieve this goal, the Federal Government must give adequate support to United States exports and exporters; and

(4) to give such support, the Federal Government must help to make available adequate export financing and provide the assistance and counseling businesses need to sell their products abroad.

TITLE I—UNITED STATES AND FOREIGN COMMERCIAL SERVICE

SEC. 101. EXPORT MARKET DEVELOPMENT STRATEGY.

(a) DEVELOPMENT.—The Secretary of Commerce, acting through the International Trade Administration, shall develop and submit to the Congress a 5-year export market development strategy. The Secretary shall update the plan annually.

(b) ISSUES TO BE CONSIDERED.—In developing the strategy, the Secretary of Commerce shall consider, though not limit the report to, the following specific questions:

(1) How are the activities of the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, the Assistant Secretary of Commerce for International Economic Policy, and the Assistant Secretary of Commerce for Trade Development being coordinated to eliminate duplicative activities and to ensure that United States exporters are getting the greatest possible benefit from the International Trade Administration's activities?

(2) What specific steps does the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service plan to take and what specific programs does it plan to utilize in order to increase the number of the United States firms, particularly small- and medium-size firms, that are exporting their products overseas?

(3) What steps is the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service taking to improve the Service's system of gathering export leads and providing such leads to United States exporters in a timely and usable manner?

(4) What steps are the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service and the Assistant Secretary of Commerce for Trade Development taking to assist the efforts of States to increase exports and what can be done to increase Federal-State cooperation?

(5) What steps is the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service taking to improve the coordination between domestic and overseas offices?

(6) Can additional steps be taken to ensure that United States exporters arrive overseas better prepared to deal with foreign customers?

(7) What steps is the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service taking to improve the services available to businessmen at overseas posts?

(c) REPORT.—Not later than October 1, 1990, and annually thereafter, the Secretary of Commerce shall transmit to the Congress a document setting forth the export market development strategy developed under this section.

SEC. 102. SMALL BUSINESS SPECIALIST.

(a) IN GENERAL.—The Administrator of the Small Business Administration shall assign a small business specialist to each district and branch office maintained in the United States by the United States and Foreign Commercial Service.

(b) DUTIES.—The small business specialist shall report to the manager of the office to which such specialist is assigned and shall be responsible for—

(1) helping to increase the Service's responsiveness to small businesses, and

(2) assisting small businesses to compete in international markets.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS FOR UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

There are authorized to be appropriated $112,800,000 to carry out the activities of the United States and Foreign Commercial Service. Amounts appropriated under this section shall be available—

(1) to employ personnel in sufficient numbers to fill all authorized positions in domestic and foreign offices of the United States and Foreign Commercial Service; and

(2) to provide adequate funding for foreign and domestic offices of the United States and Foreign Commercial Service—

(A) to maintain up-to-date commercial libraries,

(B) to undertake necessary in-country travel,

(C) to print newsletters,

(D) to pay ordinary office expenses,

(E) to train trade specialists and other staff members, and

(F) to provide adequate funding for the Commercial Information Management System; and

(3) to cover other necessary expenses.

SEC. 104. USER FEES.

Notwithstanding any other provision of law, all user fees collected by the United States and Foreign Commercial Service in the United States and abroad shall be retained by the United States and Foreign Commercial Service and shall be available to carry out the continuing operation of, and to strengthen, the programs from which such fees were derived.

SEC. 105. ONE-STOP SHOP.

(a) The Secretary of Commerce shall establish and maintain within the United States and Foreign Commercial Service a one-stop shop to make available to exporters and other interested persons all information pertaining to exports from all United States Government agencies, including the Department of Commerce, the Department of State, the Overseas Private Investment Insurance Corporation, the Export-Import Bank of the United States, the Department of the Treasury, the United States Customs Service, the Agency for International Development, and the Trade and Development Program. All Federal agencies shall consult and cooperate with, and furnish information to the one-stop shop to assist it in carrying out its function.

(b) In addition, the one-stop shop shall seek to coordinate its activities with those of not-for-profit groups involved in promoting exports and shall seek to serve as a clearinghouse for information on the export promotion services of these groups. The groups that the one-stop shop shall seek to coordinate with include, but are not limited to, State, local, and regional export assistance agencies, port authorities, and trade associations.

(c) The one-stop shop shall be headquartered in Washington, D.C., and shall disseminate its information through the domestic offices of the United States and Foreign Commercial Service.

SEC. 106. SENSE OF THE CONGRESS.

It is the sense of the Congress that the principal and overriding responsibility of United States and Foreign Commercial Service officers serving abroad is the promotion of the sale of United States exports, the assistance of United States exporters, and the development of United States foreign markets. Other activities related to trade policy and trade interests should involve the United States and Foreign Commercial Service only to the extent that they further this primary responsibility.

TITLE II—EXPORT FINANCE

SEC. 201. EXPORT-IMPORT BANK CREDIT PROGRAMS.

Section 7(a)(3) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)(3)) is amended to read as follows:

"(3) AUTHORIZATION.—There are authorized to be appropriated to the Bank for direct loans for fiscal year 1990 not to exceed $750,000,000. Any sums so appropriated shall remain available until expended.".

SEC. 202. REVIEW OF DOCUMENTATION.

Section 2(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(c)) is amended by adding at the end the following:

"(4) The Bank shall conduct a continuing review of documentation it uses and shall take appropriate actions to simplify its loan agreements and other forms.".

SEC. 203. MILITARY PRODUCTS.

(a) FINDINGS.—The Congress finds that—

(1) the continued viability of the United States defense industry is critical to our Nation's continued economic and national security;

(2) the ability to compete in the world marketplace is essential to the continued viability of the United States defense industry;

(3) the lack of an export financing program is hindering the United States defense industry's ability to compete in the international marketplace, and has resulted in sales lost to foreign competitors, lost United States jobs, and an increase in the United States trade deficit.

(b) MAINTENANCE OF INDUSTRIAL BASE.—In view of the critical importance of maintaining the defense industrial base, and the importance of defense exports to meeting that goal, the President shall carry out a study in the course of which he shall—

(1) examine the role of export financing in the decline of United States defense exports in absolute terms and market share;

(2) determine the extent to which other countries support commercial financing for defense exports through official government credit programs;

(3) determine the extent to which United States private capital is used to support defense exports and the obstacles that United States lending institutions face in providing additional support; and

(4) make recommendations for mobilizing private capital to more aggressively support

United States defense exports through existing government export guarantee programs or through new programs.

(c) Not later than 120 days after the date of enactment of this Act, the President shall transmit to the Congress a report on the findings of the study under subsection (b).

SEC. 204. REIMBURSEMENT.

Section 2(a)(1) of the Export-Import Act of 1945 (12 U.S.C. 635(a)(1)) is amended by adding at the end the following: "Notwithstanding any other provision of law, the Bank is authorized to accept payment of or reimbursement for travel, subsistence, and other reasonable expenses in furtherance of the statutory goals and objectives of the Bank.".

TITLE III—CONSIDERATION OF EXPORT IMPACT IN FEDERAL RULES

SEC. 301. REGULATORY FLEXIBILITY ACT AMENDMENT.

(a) IN GENERAL.—Chapter 6 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 613. Consideration of export impact in rules

"(a) Any agency preparing a regulatory agenda or an analysis of any rule under the provisions of this chapter shall consider the impact of such rule on the ability of United States small businesses to sell products to other nations and compete in the international marketplace.

"(b) The Chief Counsel for Advocacy of the Small Business Administration shall—

"(1) monitor agency compliance with the considerations described under subsection (a); and

"(2) consult with the Department of Commerce, the United States Trade Representative, and organizations interested in United States exports in carrying out such monitoring.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 6 of title 5, United States Code, is amended by adding at the end thereof:

"613. Consideration of export impact in rules.".

TITLE IV—CARGO PREFERENCE

SEC. 401. EXEMPTION OF AGRICULTURAL EXPORTS FROM CARGO PREFERENCE REQUIREMENTS.

(a) IN GENERAL.—Section 901a of the Merchant Marine Act, 1936 (46 U.S.C. 1241e) is amended by inserting "the export of any agricultural commodity or product thereof, including" after "shall not apply to".

(b) CONFORMING AMENDMENTS.—

(1) Sections 1141 and 1143 of the Food Security Act of 1985 (46 U.S.C. 1241d and 1241p) are repealed.

(2) Sections 901b through 901k of the Merchant Marine Act, 1936 (46 U.S.C. 1241f-1241o) are repealed.

TITLE V—INTERNATIONAL EDUCATION AND FOREIGN LANGUAGE INSTRUCTION

SEC. 501. STUDY OF INTERNATIONAL EDUCATION.

(a) FINDINGS.—The Congress finds that—

(1) public school systems in the United States should begin to play a stronger role in the process of elevating awareness and understanding of world affairs; and

(2) increased emphasis on such topics as global economics, world geography, foreign languages, and other nations' customs and cultures may be needed to better prepare young Americans to be active and competitive participants in an evolving world marketplace.

(b) REVIEW.—To begin to address the findings described in subsection (a), the Secretary of Education shall conduct a review of public education in the United States as it relates to the courses of study described in subsection (a)(2). The Secretary shall issue a report making recommendations for State and local education officials to consider in enhancing their curricula in such courses and to make global awareness and understanding a higher national priority in public education. This review shall be completed not later than 1 year after the date of enactment of this Act. The Secretary shall provide the report directly to the chief education official in each of the States and shall make it available to other education officials.

SEC. 502. DEMONSTRATION GRANTS AUTHORIZED.

The Secretary of Education is authorized to make demonstration grants to primary and secondary schools to develop innovative programs in foreign language instruction.

SEC. 503. APPLICATIONS.

(a) APPLICATION REQUIRED.—No demonstration grant under this title may be made to any primary or secondary school unless such primary or secondary school submits an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary considers appropriate.

(b) CONTENTS OF APPLICATION.—Each such application shall—

(1) describe the activities for which assistance is sought; and

(2) contain such information and assurances as the Secretary may require to ensure compliance with the provisions of this title.

SEC. 504. DEFINITIONS.

For the purposes of this title—

(1) The term "primary or secondary school" means a day or residential school which provides primary or secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(2) The term "Secretary" means the Secretary of Education.

SEC. 505. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 to carry out the provisions of section 502 of this title, and such additional funds as may be necessary to carry out the provisions of section 501 of this title.

By Mr. EXON (for himself and Mr. KERREY):

S. 1157. A bill to amend the Internal Revenue Code of 1986 to allow individuals who do not itemize deductions to deduct losses from failed financial institutions which are treated as ordinary losses; to the Committee on Finance.

AMENDING THE INTERNAL REVENUE CODE RELATING TO FAILED INSTITUTIONS

● Mr. EXON. Mr. President, today I am introducing legislation to correct what I believe was a misinterpretation by the Internal Revenue Service of a part of the 1988 Technical and Miscellaneous Revenue Act. I am pleased to be joined by my colleague Senator KERREY in this effort.

The 1988 provision allows individuals who have lost deposits in nonfederally insured failed financial institutions to treat the lost deposits as an ordinary loss for purposes of an income tax deduction.

The original intent for allowing these lost deposits to be treated as ordinary losses was because ordinary losses are deductible on Form 4797 and then line 15 of Form 1040. That enables ordinary losses to be deducted regardless of whether the taxpayer itemizes deductions.

However, the IRS recently announced in notice 89-28 that the deduction may only be taken by itemizers. That prevents the majority of victims who lost deposits in such institutions, including depositors of Commonwealth Savings Co. in Lincoln, NE, from being able to use the deduction which was intended for them.

In particular, most of the elderly and low-income depositors have been shut out by this IRS determination because they do not have enough deductions to be able to itemize.

The sole purpose of our bill is to address and overrule the technical concerns of the IRS and clarify the original intent in the 1988 Technical and Miscellaneous Revenue Act that this deduction for lost deposits may be taken by both nonitemizers and itemizers.

Mr. President, I ask unanimous consent that a copy of the bill appear in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAXPAYERS NOT ITEMIZING ALLOWED TO DEDUCT CERTAIN LOSSES FROM FAILED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (13) the following new paragraph:

"(14) CERTAIN LOSSES FROM FAILED FINANCIAL INSTITUTIONS.—The deduction allowed under section 165 to the extent of the amount of such deduction which is treated as an ordinary loss by reason of an election under section 165(l)(5)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 905(a) of the Tax Reform Act of 1986.●

By Mr. CRANSTON:

S. 1158. A bill to amend chapter 37 of title 38, United States Code, to restructure the loan guaranty provided under such chapter and to ensure the solvency of the housing loan guaranty program, conducted under that chapter, to the Committee on Veterans' Affairs.

VETERANS HOME LOAN GUARANTY RESTRUCTURING AND SOLVENCY ACT OF 1989

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to introduce today S. 1158 the proposed "Veterans Home Loan Guaranty Restructuring and Solvency Act of 1989."

Mr. President, this bill would restructure and improve the present Department of Veterans Affairs loan guaranty system to create a solvent and equitable program that better serves the interests of our Nation's veterans.

At this point, Mr. President, I would like to summarize the provisions of the bill. Early next week, I will make a statement providing background information and a more detailed explanation of the bill.

SUMMARY OF PROVISIONS

Mr. President, this measure contains provisions that would, effective October 1, 1989:

First, create a new revolving fund, known as the "Home Loan Guaranty Fund," to finance the VA Home Loan Guaranty Program with respect to loans made or assumed after September 30, 1989, for the purpose of providing greater solvency and continuity for the VA Loan Guaranty Program.

Second, provide for there to be deposited in the guaranty fund all fees collected after September 30, 1989, all income and proceeds from VA's holding or disposing of homes acquired by VA upon foreclosures of loans made or assumed after September 30, 1989, and all revenues from investments of funds in the guaranty fund; provide for crediting to the guaranty fund an amount equal to 0.25 percent of the loan amount for each of the first 3 years on guaranteed loans made after September 30, 1989; and require the Secretary of the Treasury to invest surplus funds in the guaranty fund in Government securities.

Third, generally increase the loan fee from 1 percent to 1.25 percent of the loan amount but reduce the fee to 0.75 percent if the veteran makes a downpayment of at least 5 percent and to 0.25 percent for a 10-percent downpayment; allow the veteran to finance the fee as part of the loan; increase the fee for assumptions from one-half percent to two-thirds of 1 percent; and continue the current 1-percent fee for vendee loans.

Fourth, require VA to pay the loan fee for all veterans with compensable disabilities and for surviving spouses of veterans who died from service-connected disabilities.

Fifth, allow the Secretary—after first providing the Committees on Veterans' Affairs with advance notice at the time the President submits the budget in mid-January—on or after the ensuing October 1 to increase all loan and assumption fees uniformly to not more than 20-percent more that the statutorily prescribed percentages—for example, as to the proposed standard 1.25-percent fee, this would permit an increase to no more than 1.5 percent, in one or more steps—if the Secretary determines such an increase is necessary to keep the guaranty fund solvent, based on a Secretarial determination that the guaranty fund otherwise would become insolvent within 24 months after the proposed increase would take effect; and require the Director of the Congressional Budget Office to provide the committees with an assessment of any Secretarial finding relating to such insolvency.

Sixth, eliminate liability to VA for any loss resulting from default on a VA-guaranteed home loan for anyone who pays a fee, or is exempted from paying a fee, after September 30, 1989, except: First, in the case of fraud, misrepresentation, or bad faith by such individual in obtaining the loan or approval of an assumption of the loan, or in connection with a default; and second, in the case of any default resulting from circumstances not beyond the borrower's control—vendee loans would not be covered under this release from liability.

Seventh, extend for 1 year, to October 1, 1990, the current expiring authority for VA to sell loan assets either with or without recourse and the requirement for VA to justify and explain each such loan asset sale in a report to the Committees on Veterans' Affairs.

Eighth, require that, notwithstanding any other provision of law, all amounts received from recourse and nonrecourse loan asset sales be credited, without reduction, as offsetting collections of the loan guaranty revolving fund or the home loan guaranty fund, depending on which fund received the fee for the loan involved.

Ninth, allow a veteran to acquire additional loan guaranty entitlement—up to $10,000—for a particular loan by paying a 0.1-percent fee for each additional $1,000 of entitlement, or portion thereof; require that the total of the guaranty and any downpayment could not exceed 25 percent of the purchase price, except where, under regulations prescribed by the Secretary, the Secretary grants a waiver of this requirement in order to enable a veteran to use a VA-guaranteed loan in a market where lenders would otherwise charge so many points—which sellers must pay—as to make it unlikely for the veteran to be able to use his or her VA entitlement to acquire a home; and provide that the fee for the additional entitlement, like other loan fees, could be financed as part of the loan.

Tenth, require a lender to notify VA when the lender refuses a tender of partial payment by a veteran and to state the circumstances of the veteran's default and the reasons why the lender refused partial payment.

Eleventh, extend by 2 years, through fiscal year 1991, the statutory formula—known as the "no-bid" formula—by which VA determines whether it will acquire at foreclosure the property securing a VA-guaranteed loan.

Twelfth, prohibit VA from considering the cost of borrowing funds in determining the net value of a property for purposes of the no-bid formula, except to the extent of one-half of the amount by which the cost of borrowing the funds necessary to acquire the property exceeds the cost of borrowing the funds that would be needed to pay the guaranty.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans Home Loan Guaranty Restructuring and Solvency Act of 1989".

(b) REFERENCES TO TITLE 38.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. ESTABLISHMENT OF HOME LOAN GUARANTY FUND AND LOAN FEE.

(a) NEW FUND.—(1) Chapter 37 is amended by inserting after section 1824 the following new section:

"§ 1824A. Home Loan Guaranty Fund

"(a) There is hereby established in the Treasury of the United States a revolving fund known as the Home Loan Guaranty Fund (hereinafter referred to as the 'Guaranty Fund').

"(b) The Guaranty Fund shall be available to the Secretary for all operations (other than administrative expenses) carried out with respect to (1) housing loans guaranteed or insured under this chapter which are made after September 30, 1989, and (2) loans to which section 1814 of this title applies and which are assumed after such date.

"(c)(1) All fees collected under section 1829 of this title after September 30, 1989, shall be credited to the Guaranty Fund.

"(2) There shall also be credited to the Guaranty Fund—

"(A) for each housing loan guaranteed or insured under this chapter after September 30, 1989, an amount equal to 0.25 percent of the original amount of such loan for each of the three fiscal years beginning with the fiscal year in which such loan is guaranteed or insured;

"(B) all collections of principal and interest and the proceeds from the use of property held, or from the sale of property disposed of, with respect to loans to which subsection (b) of this section applies; and

"(C) all income from the investments described in subsection (d) of this section.

"(d)(1) The Secretary of the Treasury shall invest the portion of the Guaranty Fund that is not required to meet current payments made from the Guaranty Fund, as determined by the Secretary of Veterans Affairs, in obligations of the United States or in obligations guaranteed as to principal and interest by the United States.

"(2) In making investments under paragraph (1) of this subsection, the Secretary of the Treasury shall select obligations having maturities suitable to the needs of the Guaranty Fund, as determined by the Secretary of Veterans Affairs, and bearing interest at suitable rates, as determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.".

(2) The table of sections of subchapter III of chapter 37 is amended by inserting after the item relating to section 1824 the following new item:

"1824A. Home Loan Guaranty Fund.".

(b) LOAN FEE.—Section 1829 is amended to read as follows:

"§ 1829. Loan fee

"(a)(1) Except as provided in subsection (c), a fee shall be collected from each veteran obtaining a housing loan guaranteed or insured under this chapter, and from each person obtaining a loan under section 1833(a) of this title, and no such loan may be guaranteed, made, or insured under this chapter until the fee payable under this section has been remitted to the Secretary.

"(2) The amount of such fee shall be 1.25 percent of the total loan amount, except that—

"(A) in the case of a loan made under section 1833(a) of this title, the amount of such fee shall be one percent of the total loan amount;

"(B) in the case of a guaranteed or insured loan for a purchase, or for construction, with respect to which the veteran has made a downpayment of not less than 5 percent of the total purchase price or construction cost, the amount of such fee shall be 0.75 percent of the total loans amount; and

"(C) in the case of a guaranteed or insured loan for a purchase, or for construction, with respect to which the veteran has made a downpayment of not less than 10 percent of the total purchase price or construction cost, the amount of such fee shall be 0.25 percent of the total loan amount.

"(3) The amount of the fee may be included in the loan and paid from the proceeds thereof.

"(b) Except as provided in subsection (c) of this section, a fee shall be collected from a person assuming a loan to which section 1814 of this title applies. The amount of the fee shall be equal to two-thirds of one percent of the balance of the loan on the date of the transfer of the property.

"(c) A fee may not be collected under this section from a veteran who is receiving compensation (or who but for the receipt of retirement pay would be entitled to receive compensation) or from a surviving spouse of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability. The Secretary shall, on behalf of such veteran or surviving spouse, deposit in the Home Loan Guaranty Fund (in addition to the amount required to be credited to such fund under section 1824A(c)(2)(A) of this title) the amount equal to the fee that, except for this subsection, would be collected from such veteran or surviving spouse.

"(d)(1) Subject to paragraphs (2) and (3) of this subsection, the Secretary may increase each fee percentage specified in subsections (a) and (b) of this section if the Secretary determines, on the basis of economic projections and analyses, that the Home Loan Guaranty Fund would, except for such increase, be unable to pay the valid claims of holders of defaulted loans during the first 24 months that such increase is to be in effect. In exercising the authority under this paragraph, the Secretary shall increase all such fee percentages by multiplying each such fee percentage by the same factor.

"(2) An increased percentage prescribed by the Secretary under paragraph (1) of this subsection for the computation of a fee required to be collected under subsection (a) or (b) of this section may not exceed the percentage determined by multiplying the percentage specified for such fee in that subsection by 1.2.

"(3) The Secretary may not in any fiscal year increase the fee percentages specified in subsections (a) and (b) of this section unless the Secretary first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing the Secretary's determination to increase such fee percentages, the factor by which such fee percentages are to be increased, and the economic projections and analyses on which the Secretary bases such determination. Any such report shall be submitted not later than the day on which the President, pursuant to section 1105 of title 31, submits to the Congress the budget for the fiscal year in which the increase is proposed to take effect. On the same day that the Secretary submits the report to the committees, the Secretary shall submit a copy of the report to the Director of the Congressional Budget Office.

"(3) Not later than 30 days after the Secretary submits the report to the committees, the Director of the Congressional Budget Office shall transmit to the committees the Director's views on the Secretary's report.".

(c) LIABILITY.—Section 1803 is amended by adding at the end the following new subsection:

"(e) Any individual who pays a fee under section 1829 of this title, or is exempted under section 1829(c) from paying such fee, after September 30, 1989, with respect to a housing loan (other than a loan made under section 1833(a) of this title) shall have no liability to the Secretary with respect to the loan for any loss resulting from any default of such individual except (1) in the case of fraud, misrepresentation, or bad faith by the individual in obtaining the loan or approval of an assumption of the loan or in connection with the loan default, and (2) in the case of any default or liquidation resulting from circumstances not beyond the individual's control.".

(d) CONFORMING AMENDMENTS.—(1) Section 1824 is amended—

(A) in subsection (b), by inserting "and the operations carried out with the Home Loan Guaranty Fund established by section 1824A" before the period at the end of the first sentence; and

(B) in subsection (c)—

(i) by inserting "before October 1, 1989, except that fees collected under subsection (b) of such section 1829 on or after such date with respect to loans which were originally guaranteed, made, or insured before such date shall also be deposited in the Fund" after "title" in clause (2); and

(ii) by inserting "with respect to housing loans guaranteed or insured under this chapter before October 1, 1989" after "chapter" in clause (3).

(2) The last sentence of section 1832(a)(1) is amended by striking out "If" and inserting in lieu thereof "Except as provided in section 1803(e) of this title, if".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1989, with respect to loans closed or assumed on or after that date.

SEC. 3. SALE OF VENDEE LOANS.

(a) IN GENERAL.—Section 1833(a)(3) is amended—

(1) in subparagraph (A), by striking out "1989" and inserting in lieu thereof "1990";

(2) in subparagraph (B), by striking out "1989" and inserting in lieu thereof "1990";

(3) in subparagraph (C), by striking out "1989" and inserting in lieu thereof "1990"; and

(4) by adding at the end the following new subparagraph:

"(D) Notwithstanding the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget and Impoundment Control Act of 1974, all amounts received from the sale of such loans shall be credited without any reduction, for the fiscal year in which the amount is received, as offsetting collections of the Loan Guaranty Revolving Fund (established by section 1824 of this title) or the Home Loan Guaranty Fund (established by section 1824A of this title), for which a fee was collected (or from which a fee was exempted from being collected) at the time the loan was originally guaranteed. The total amount credited to the Loan Guaranty Revolving Fund or the Home Loan Guaranty Fund for a fiscal year shall offset outlays attributed to such Fund, as the case may be, during such fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1989.

SEC. 4. COMPUTATION OF ENTITLEMENT AMOUNT.

(a) OPTIONAL INCREASED ENTITLEMENT.—Section 1803(a) is amended—

(1) in paragraph (1)(B), by striking out "The" and inserting in lieu thereof "Except in the case of an election pursuant to paragraph (3)(A) of this subsection, the"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Subject to subparagraphs (B) and (C) of this paragraph, the maximum amount of guaranty entitlement available to a veteran for purposes specified in clauses (1), (2), (3), and (6) of section 1810(a) of this title may, upon the election of the veteran, be increased by not more than $10,000 in connection with a specific loan. The Secretary shall collect from that veteran a fee equal to 0.1 percent of the total loan amount for each $1,000 (and fraction of $1,000) by which the veteran elects to increase that maximum amount. The fee shall be deposited in the Home Loan Guaranty Fund.

"(B) The total amount of the guaranty entitlement available to a veteran in connection with a loan for a purchase or construction may not be increased pursuant to subparagraph (A) of this paragraph by an amount which would cause the sum of the guaranty and any downpayment to exceed 25 percent of the price of the purchase or construction.

"(C) The Secretary may waive the limitation in subparagraph (B) of this paragraph in the case of a loan for the purchase or construction of housing whenever the Secretary determines, in accordance with regulations prescribed by the Secretary, that the housing is being purchased or constructed in a housing market area for which it is the general practice of lenders, in the case of loans to be guaranteed under this chapter, to require the payment of points in, or to

discount the loans by, such large amounts as to make it unlikely that a veteran could obtain such a loan for the purchase or construction of housing in such market area.

"(D) The amount of the fee imposed by subparagraph (A) of this paragraph may be included in the loan and paid from the proceeds thereof.".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on October 1, 1989, and shall apply with respect to loans guaranteed or insured under chapter 37 of title 38, United States Code, after September 30, 1989.

SEC. 5. PROCEDURES ON DEFAULT.

(a) NOTIFICATION REQUIREMENT.—Section 1832(a) is amended by adding at the end the following new paragraph:

"(5) When a default has occurred in the payment of any loan made, guaranteed, or insured under this chapter and the holder of the obligation has refused a tender by the veteran of a partial payment of any amount payable under the terms of the loan, the holder of the obligation shall notify the Secretary as soon as such partial payment has been refused. Such notification shall include a statement of the circumstances of the default and the reasons for the holder's refusal.".

(b) COMPUTATION OF NET VALUE.—Section 1832(c)(1)(C) is amended by—

(1) striking out "(i)";

(2) striking out "(ii)" and inserting in lieu thereof "(i)"; and

(3) inserting "(other than the cost of borrowing funds to acquire the property), and minus (ii) 50 percent of the cost to the Government of borrowing the amount equal to the excess, if any, of the total indebtedness over the amount guaranteed under this chapter" before the period at the end.

(c) POSTPONEMENT OF EXPIRATION DATE.—Paragraph (11) of section 1832(c) is amended by striking out "October 1, 1989" and inserting in lieu thereof "October 1, 1991.".

By Mr. BAUCUS:

S. 1159. A bill to amend the Federal Noxious Weed Act of 1974 to establish a Center for Noxious Weed Management and Data Collection, to provide for a coordinated management plan for the control of noxious weeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL NOXIOUS WEED ACT AMENDMENTS OF 1989

Mr. BAUCUS. Mr. President, I am introducing legislation today that concerns a very serious problem. This problem, in fact, has become epidemic in proportion. I am, of course, referring to the problem farmers and ranchers live with day in and day out—noxious weeds infestation. The impact of noxious weeds is tremendous and far-reaching. These weeds cause significant reduction in crop production and out-compete desirable vegetation, are generally unpalatable to livestock and wildlife, increase the potential for erosion problems, increase reforestation costs, and create land unsuitable for recreational purposes. The problem exists nationwide. It is estimated that agricultural productivity decreases about 10 percent due to noxious weed infestation. This production loss together with the current cost of control is well over $20 billion annually in the United States. And, in addition, weed spread is occurring at the rate of 7 to 10 percent per year. The problem is getting worse.

In Montana alone, over 8.4 million acres of land are infested with noxious weeds. Over half of these acres are infested with one weed—spotted knapweed. Scientists predict that 70 million acres will be lost to this weed if control measures are not taken. One Federal agency charged with the responsibility of controlling noxious weeds does not even consider spotted knapweed to be a noxious weed. You ask why? Because it does not fall within their definition of "noxious weed." It is too widespread.

It is time to take control of this situation. There are a number of existing Federal statutes which touch on this problem. None, however, approaches it comprehensively. These statutes authorize specific Federal agencies to do something about noxious weeds, but they don't even define what a noxious weed is in the same way. These agencies sometimes work together or work with the States, but not in any organized, coordinated fashion. What we have today is a piecemeal system, one that spends millions of dollars pouring thousands of gallons of herbicide on noxious weeds in an attempt to eradicate the problem. What results is the continued spread of noxious weeds. We now, also, have to be concerned with the contamination of our ground water as a consequence of our singularly based approach.

Some States have attempted to control noxious weeds within their borders. It is, however, a very difficult and expensive problem for a State to undertake. As an example, Montana has developed an innovative system to make funding available. They have initiated a surcharge on motor vehicle registration. This provides some funding, but it is not enough. It is also doomed to failure because no matter how much money Montana raises for weed control, its program's success depends on what surrounding States are doing about the problem.

As widespread as this particular problem is there has never been a coordinated effort on the part of all of the parties involved to come up with a solution—until now. My legislation attempts to combat the problem of noxious weeds infestation in a systematic, cooperative manner. This legislation provides the framework from which Federal, State, and local governments, as well as private landowners can move forward toward resolution of this problem.

My legislation first recognizes that the elimination of noxious weeds from all agricultural land and wilderness areas is highly unlikely. Bearing this in mind, we must, therefore, approach noxious weeds from the perspective of limiting spread and infestation to an acceptable level. We must learn to live with minimal levels of noxious weeds.

It also recognizes that because of concern for the effects of the overuse of chemicals on the environment, on ground water, it is no longer possible nor wise to use this type of control method exclusively. We must in fact consider alternative types of control. We must incorporate cultural methods as well as biological control technology to achieve our ultimate goal of reaching an acceptable level of noxious weeds. We must truly develop an integrated management plan, on a national level, in order to control this problem.

My legislation establishes a policy to control noxious weeds. To carry out this policy it creates a center, to be located within a lead Federal agency, whose function is to both assess the extent of the noxious weed problem and to develop and monitor an integrated management plan on a national level. All parties, Federal, State, local government, and private landowner will be given the opportunity to offer suggestions as to the development of the integrated plan. These parties will also be expected to participate in the plan once it has been formulated by the center.

The cost of creating a center to evaluate the noxious weed problem on a national basis, to develop a feasible control system, and to implement that system will realistically be $100 million. It will take a number of years to fully deal with this problem so I suggest that we fund this project at this level for a minimum of 5 years.

To conclude, it is clear that we have a significant problem in controlling noxious weeds throughout these United States. It seems that plant species which were originally exotic to the United States have set up housekeeping within our borders. As a result, a range of problems both agricultural and environmental have been created. In order to effectively eliminate these problems we must use a coordinated approach. Again, it does no good to attempt to eliminate weeds on one piece of land when the adjoining land continues to be infested. I believe my legislation will create a center that can both assess the extent of the problem and develop a coordinated plan to effectively deal with this problem on a national level.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Noxious Weed Act Amendments of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) noxious weeds cost farmers and ranchers millions of dollars in lost crops and range land;

(2) noxious weeds are very adaptable at out-competing the natural vegetation of the area that such weeds are present in and therefore have a considerable impact on domestic animals and wildlife foraging in such areas;

(3) the total eradication of noxious weeds is impossible, therefore resources should be used to develop measures that will decrease the numbers of noxious weeds to an acceptable level;

(4) concerns about ground water contamination and environmental impact argue in favor of a more ecologically sound approach to resolve noxious weed problems;

(5) to control noxious weeds, the focus must be on a coordinated management plan as opposed to the exclusive use of chemical control; and

(6) future technology concerning the development of biological mechanisms for the control of noxious weeds should be developed and used.

(b) PURPOSES.—It is the purpose of this Act—

(1) to establish a Center for Noxious Weed Management and Data Collection;

(2) to establish a coordinated management plan for the control of noxious weeds while minimizing the damage caused by such weeds, the cost of such control, and the detrimental impact on the environment; and

(3) to implement the plan on a nationally coordinated basis in order to systematically control noxious weeds.

SEC. 3. DEFINITION.

Section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) is amended by adding at the end thereof the following new sentence: "Not later than September 30 of each fiscal year, the Secretary, after consultation with the Director of the Center established under section 8A, shall publish a list of parasites or plants identified as noxious weeds that are, or may become, widespread and that are causing, or may cause, significant problems with domestic agriculture.".

SEC. 4. CENTER FOR NOXIOUS WEED MANAGEMENT AND DATA COLLECTION.

The Federal Noxious Weed Act of 1974 is amended by inserting after section 8 (7 U.S.C. 2807) the following new section:

"SEC. 8A. CENTER FOR NOXIOUS WEED MANAGEMENT AND DATA COLLECTION.

"(a) ESTABLISHMENT.—The Secretary shall establish, within the Animal and Plant Health Inspection Service, a Center for Noxious Weed Management and Data Collection, to be administered by a Director appointed by the Secretary.

"(b) FUNCTIONS.—The Director shall—

"(1) not later than 180 days after the date of enactment of the Federal Noxious Weed Act Amendments of 1989, determine the extent of the noxious weed problem in the United States;

"(2) accumulate and assess, on a continuing basis, data concerning types of noxious weeds and the acreage that such weeds are present in;

"(3) develop a coordinated management plan for the control of noxious weed species in accordance with section 8B;

"(4) monitor the effect of the plan on noxious weed control; and

"(5) perform any other activities that the Secretary shall determine appropriate.".

SEC. 5. COORDINATED MANAGEMENT PLAN.

The Federal Noxious Weed Act of 1974 (as amended by section 4 of this Act) is further amended by inserting after section 8A the following new section:

"SEC. 8B. COORDINATED MANAGEMENT PLAN.

"(a) ESTABLISHMENT.—Not later than 120 days after the Director determines the extent of the noxious weed problem in the United States under section 8A(b)(1), the Secretary shall establish a coordinated management plan for the control of noxious weeds throughout the United States.

"(b) COMMENTS.—In developing the plan under subsection (a), the Secretary shall solicit the comments of other agencies of the Federal Government, State and local governments, and private landowners.

"(c) CONTENTS.—The plan developed under subsection (a) shall—

"(1) provide for an integrated management system for the control of noxious weeds through the establishment of minimum standards and requirements for the control of noxious weeds throughout the United States;

"(2) permit State and local governments to prescribe more restrictive standards and requirements than those established under paragraph (1);

"(3) emphasize the use of progressive agricultural methods to control noxious weeds, including the use of new biological control technology;

"(4) contain any other information that the Secretary determines is appropriate.

"(d) PARTICIPATION OF FEDERAL AGENCIES.—

"(1) REQUIREMENT.—A Federal agency that carries out a program or activity that affects the control of noxious weeds shall comply with the plan established under subsection (a).

"(2) REPORT OF FEDERAL AGENCIES.—Such agency shall submit an annual report to the Secretary that describes actions taken by the agency to comply with the plan established under subsection (a).

"(e) PARTICIPATION OF STATE AND LOCAL GOVERNMENTS.—To be eligible to receive any assistance provided by the Secretary for the control of noxious weeds, a State or local government shall comply with the plan established under subsection (a).

"(f) PARTICIPATION OF LANDOWNERS.—

"(1) COST SHARING.—The Secretary may provide grants to State and local governments to enable such governments to provide cost sharing incentives to local private landowners to encourage such landowners to participate in the plan established under subsection (a).

"(2) ELIGIBILITY.—To be eligible to receive any assistance provided by the Secretary for the control of noxious weeds, a State shall establish procedures to ensure that at least 80 percent of the landowners who are eligible to participate in the plan established under subsection (a) participate in such plan.

"(g) REPORT OF SECRETARY.—The Secretary shall annually prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning—

"(1) the compliance of Federal agencies and the States with the requirements of the plan established under subsection (a); and

"(2) the progress of the coordinated management plan established under subsection (a) in controlling the existence and spread of noxious weeds.".

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

Section 11 of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2810) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) There are authorized to be appropriated to carry out sections 8A and 8B, $100,000,000 in each of the fiscal years 1990 through 1994.".

ADDITIONAL COSPONSORS

S. 428

At the request of Mr. WALLOP, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Arkansas [Mr. BUMPERS], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Wisconsin [Mr. KOHL], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 428, a bill to modernize United States circulating coin designs, of which one reserve will have a theme of the Bicentennial of the Constitution.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 464, a bill to promote safety and heatlh in workplaces owned, operated, or under contract with the United States by clarifying the United States obligation to observe occupational safety and health standards and clarifying the United States responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 507

At the request of Mr. SIMON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 714

At the request of Mr. MCCLURE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 956

At the request of Mr. COATS, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 956, a bill to exclude users of alcohol and illegal substances from the definition of handicapped individuals under the Rehabili-

tation Act of 1973, and for other purposes.

S. 982

At the request of Mr. REID, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 982, a bill to repeal a provision of Federal tort claim law relating to the civil liability of Government contractors for certain injuries, losses of property, and deaths and for other purposes.

S. 993

At the request of Mr. KOHL, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 993, a bill to implement the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological [Biological] and Toxin Weapons and Their Destruction, by prohibiting certain conduct relating to biological weapons, and for other purposes.

S. 1000

At the request of Mr. MCCLURE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 1000, a bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture to exclude the malting barley price from the national weighted market price for barley in determining the payment rate used to calculate deficiency payments for the 1989 and 1990 crops of barley, and for other purposes.

S. 1008

At the request of Mr. CONRAD, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1008, a bill to promote the growth and economic diversification of, and to increase business and employment opportunities in rural America, and for other purposes.

S. 1153

At the request of Mr. DASCHLE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1153, a bill to amend title 38, United States Code, to provide for the establishment of presumptions of service connection between certain diseases experienced by veterans who served in the Vietnam era and exposure to certain toxic herbicide agents used in Vietnam; to provide for interim benefits for veterans of such service who have certain diseases; to improve the reporting requirements relating to the "Ranch Hand Study"; and for other purposes.

SENATE JOINT RESOLUTION 79

At the request of Mr. REID, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 79, a joint resolution to require display of the POW/MIA flag at Federal buildings.

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the names of the Senator from Indiana [Mr. LUGAR], the Senator from New York [Mr. MOYNIHAN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Virginia [Mr. ROBB], the Senator from South Carolina [Mr. THURMOND], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 129

At the request of Mr. DOLE, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Joint Resolution 129, a joint resolution to provide for the designation of September 15, 1989, as "National POW/MIA Recognition Day."

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. HUMPHREY, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution establishing procedures for expedited consideration by the Congress of certain bills and joint resolutions submitted by the President.

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. MITCHELL, his name was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution calling for the Government of Vietnam to expedite the release and emigration of all political prisoners.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE SERVICES

WALLOP AMENDMENT NO. 150

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

On page 98, line 13, strike "such sums as may be necessary".

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that the hearing originally scheduled before the subcommittee on Energy Research and Development on June 13, 1989, at 2 p.m. on the Department of Energy's role in the area of magnetic fusion research and development and demonstration has been rescheduled.

The hearing will now take place on Wednesday, June 14, 1989, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

For further information, please contact Ben Cooper or Teri Curtin (202) 224-7569.

ADDITIONAL STATEMENTS

DIXON C. TERRY, IOWA AGRICULTURALIST

● Mr. HARKIN. Mr. President, on May 28, 1989, we lost Dixon Terry, one of the foremost agriculturalists and farm leaders of our time, when he was struck by lightning as he finished baling hay on his farm near Greenfield, IA.

Harry Truman said, "There's only one test of friendship. It is a test of the heart." I have been honored to know Dixon Terry as a true friend of the heart.

Many of us remember him as an activist, an inspirational leader, an educator, an organizer, a political visionary, a populist.

But we all know Dixon would want to be remembered first and foremost as a farmer. He wasn't just someone who planted and harvested, milked and sold, but one who cared deeply about that it means to be a farmer.

He believed in the dignity of work. He cared about the land, its preservation for future generations. He cared about his family and his community, and the quality of life in rural America.

He enjoyed the independent life of farming. But he saw that true independence was not possible unless farmers joined together.

Unless farmers began to see not just their independence, but their interdependence, each of them would be vulnerable to far more powerful forces—and these forces would determine the fate of farm families.

Dixon had a unique ability to cut through the baloney and blue smoke of politics. He understood that politics is about power. His lifelong goal was to give farmers more power, and more say-so over their lives.

Dixon and I traveled and fought side-by-side on many causes. I learned a great deal from him, and witnessed his growth—as he began to talk not just of farmers, but of rural America, not just of agriculture, but of global economic development and the need to reduce our huge expenditures on military weapons.

He saw the connection between U.S. farm policy and poverty in the Third World, between economic choices and the impact on our environment.

He had a unique ability to think broadly and to speak with a clarity and a perspective that appealed to

your basic sense of fairness and justice.

It seems in every generation, there are a few individuals who possess a certain life force that inevitably draws others to them; who command attention, get things done, move people and make a difference. Dixon had that life force.

In an age of cynicism about politics and government, Dixon acted upon the belief that politics could be a force for positive change.

He was a Jeffersonian, in the sense he believed in the value of grassroots action and democracy from the bottom up. Dixon made a difference—he left us with the legacy of what one individual can do if committed and determined.

He never asked much for himself, least of all tribute or praise. He asked only that we join in the struggle for human rights and human dignity. And so that is how we should pay tribute to him today—by pledging to carry on the work he began.

As Robert Kennedy said,

It is from numberless diverse acts of courage and belief that human history is shaped. Each time a person stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, that person sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance.

And so the causes he started are still rippling and cascading out, rising in a demand for economic and social justice.

I'm going to miss Dixon Terry.

I will miss his redheaded presence in my office every time I turn around. I'll miss his sense of conviction, his deeply held beliefs, his courage, his doggedness and persistence. I'll miss our long discussions in cars, restaurants, airplanes, offices, around the kitchen table. I'll miss having him by my side in the political trenches.

He was a strong ally and a wonderful friend.

Native Americans have a saying: "To live on in the hearts of those you love is not to die." So, old friend, you live on in our hearts, and I will love and remember you all the days of my life.

Mr. President, I ask that the program of the memorial service for Dixon Terry be reprinted in the RECORD.

The program follows:

A SERVICE OF CELEBRATION OF THE LIFE OF DIXON C. TERRY

Dixon was born in Radcliffe, Iowa October 8, 1949, to C. Dixon and Virlayne (Cameron) Terry. He died Sunday, May 28 on his farm near Greenfield. Dixon attended Radcliffe Community School where he graduated valedictorian in 1968. He was a national merit scholar at Radcliffe. He attended Iowa State University in Ames where he was an honor student. He was affiliated with the United Methodist Church. For the past 11 years, he and his family have operated a dairy farm.

In recent years Dixon's devotion to family, friends and organizations touched many lives. He was a founder of the Iowa Farm Unity Coalition and served as its chair. He also was co-chair of the National League of Rural Voters and director of the Iowa League of Rural Voters, president of the National Family Farm Coalition and vice president of the Iowa Farmers Union. He was a founder of the Progressive Prairie Alliance and served on the board of directors of the U.S. Farmers Association. He was a founding board member of Prairiefire Rural Action. He was a delegate to the 1984 Democratic National Convention where he was instrumental in organizing the Rural Caucus. He was a board member of the Mid-America Dairy Cooperative and president of the Dairy Herd Improvement Association. In 1984 Dixon and Linda were named by Esquire magazine as "The Best of the New Generation: Men and Women under 40 Who are Changing America."

Dixon was endowed with extraordinary wisdom, wit and leadership ability. Dovetailing his love of the land and compassion for the disenfranchised, Dixon diligently pursued social and economic justice. He will be remembered for approaching situations with insight, intelligence, vision and fairness.

Survivors include his wife, Linda; his daughter, Willow, and son, Dusky, both at home in Greenfield; his parents, C. Dixon and Virlayne Terry of rural Stuart, Iowa; and three sisters; Jackie Williby and family of Ames, and Betty Boccella and family of Ames, and Jenny Stensland and family of Zearing; several aunts, uncles and cousins.

Preceding him in death were his grandparents, Mr. and Mrs. A. G. Terry of Radcliffe, and Mr. and Mrs. Ed Cameron of Greenfield.

The family of Dixon Terry wishes to express its gratitude for the support during this time. You are invited to share lunch at the church after graveside services.

What is Life? It is the flash of a firefly in the night. It is the breath of a buffalo in the winter time. It is the little shadow which runs across the grass and loses itself in the Sunset.

Crowfoot, an Orator for the Blackfoot Confederacy, 1890; in his dying hours, his last words were of life.

FOR A MAN NO LONGER WITH US

Rattlesnake is the Earth. Lightning is the Universe.
If one takes you, it is the Earth.
If the other takes you, it is the Universe.
He is blessed now. He is of the Earth.
If he lived, he would be like the lightning-struck tree that no one comes around.
If he lived, no one would share food with him until he was blessed again by Ceremony.
Now he is blessed by Ceremony.
He is of the Earth.

In honor of Dixon Terry from Jogii (Bluejay) de Groat, Navajo Medicine Man, Gallup, New Mexico, May 31, 1989.

A SERVICE OF CELEBRATION OF THE LIFE OF DIXON C. TERRY

Prelude: Janna Nelson, Fr. Norm White, Dan Hunter.

Processional: "Come Ye Thankful People, Come".

Words of Greeting and Prayer: Rev. William Olmsted.

Friends Remember: Pat Eddy, Gary Lamb, George Naylor, Dave Millis.

A Song for Dixon: Dan Hunter.

Reading: Mary Ellen Mackaman.

Reflections on Dixon's Life: Jay Howe, Helen Waller.

Silent Reflection and Prayer: ——— ———.

A Hymn for the Rural Crisis: by Rev. Ed Kail (1985).

Reading: Willard Olesen.

Reflections on Dixon's Life: Chuck Terry, Rev. Jesse Jackson.

Music: Rev. Wintley Phipps.

Reflections on Dixon's Life: Sen. Tom Harkin, Ona Mae Lettow, Mark Ritchie.

Reading: Willow Terry, Dusky Terry.

Homily: "Remembering a Man of the People"; Rev. David Ostendorf.

A Hymn for our departure: Amazing Grace.

PALLBEARERS

Gary Barrett, Clifford Bax, Dennis Eddy, Stan Kading, George Naylor, Jim Riordan, Vernon Roach.

"Dixon Terry is no ordinary farmer. After all, how many farmers make Esquire's list of the influential young men and women who are shaping America's future? How many have played, literally, a constant role throughout the past decade in formulating, strategizing, and organizing a national farm movement that, in its current dimensions, did not even exist a decade ago?

"Ruddy, red-haired, bearded, and usually wearing work clothes, Terry, with his wife, Linda, operates a dairy farm. His operation is organic, and he believes farmers need to experiment with alternatives to current practices, but he does not believe for one moment that there is any long-term solution without an adequate price for farm products."—From Raising Less Corn and More Hell by Jim Schwab—University of Illinois Press, Urbana, 1988.●

THE U.S. SUGAR QUOTA

● Mr. DURENBERGER. Mr. President, I rise to share with my colleagues a letter to the editors of the New York Times commenting on that newspapers' editorial regarding the recent ruling by a panel of the General Agreement on Tariffs and Trade or GATT. The panel ruled that this country's sugar import quotas violated GATT. This letter, which I request be entered into the RECORD, is written by John C. Kingerly, a former Associate General Counsel to the U.S. Trade Representative's Office. Mr. Kingerly's message is an important one: We must view the U.S. sugar quotas and GATT's decision in the full context of international trade.

SUGAR QUOTA OUR EXCEPTION, THEIR RULE

To the Editor:

There you go again. In your May 23 editorial on trade, you claim that U.S. sugar quotas serve as a good example of why we should not accuse anyone else of unfair trade practices.

As the lawyer who wrote the briefs in the case you cite with regard to the General Agreement on Tariffs and Trade, I can assure you that no one claimed the sugar quotas were wise policy. Indeed, the U.S. position in the Uruguay Round of trade negotiations concerning the unwinding of all agricultural trade restrictions implicitly stated that such quotas were unwise. However, the U.S. should not be required to disarm itself

unilaterally in the highly restricted world sugar market.

You ignore two important aspects of the GATT case. First, the country bringing the case, Australia, has had an absolute ban on imports of sugar for 70 years. Last year it announced a "reform with a proposal to change from a ban to a tariff. However, Australia admitted to the International Sugar Organization that, at least for the next several years, the tariff will be so high that it will have the same effect as a ban. Now that is hypocrisy.

Also, during the GATT panel proceeding, the panel asked just how widespread restrictions such as the U.S. sugar quota were. The U.S. quotas were administered under a tariff provision negotiated in a GATT round almost 40 years ago. We found many such restrictions in others' tariff schedules, including an illegal local content rule on tobacco in Australia. In particular, the European Community had so many quotas in its tariff schedule that we had a list several pages long after reviewing only a fraction of the E.C. schedule.

Why are you so quick to blame America and cry mea culpa? Remember, in sugar the major price depressant in the world is not the U.S. quotas, it is the massive dumping of highly subsidized sugar into the world market by the European Community. The lesson of the sugar case is not that we are as bad as everyone else; it is that an exception to our general practice is the rule for most of our trading partners.—JOHN C. KINGERLY.

SIMSBURY, CN, *May 23, 1989.*●

AMERICA'S NONEXISTENT NUCLEAR CRISIS

● Mr. WIRTH. Mr. President, one of the most pressing concerns facing our country today is the continuing crisis within the Department of Energy's nuclear weapons complex. How do we clean up the waste resulting from 40 years of nuclear weapons production? What effect have these weapons plants had on the health of the Department of Energy's workers and on the populations that reside nearby? Do we need to continue production of weapons-grade plutonium? Are we facing a "tritium crisis" as a result of the shutdown of all of the DOE's production reactors?

Mr. President, as we seek answers to these enormously complicated questions, it is essential that we consider every option and take advantage of any and all expertise that we come across. It is with this in mind that I am inserting into the RECORD today a recent article from the Washington Post entitled "America's Non-Existent Nuclear 'Crisis' "—April 16, 1989. This article is adapted from a tritium policy paper prepared by the Nuclear Control Institute and signed by 11 prominent scientists, including 2 Nobel laureates, with extensive arms control and public policy experience.

I urge all of my colleagues to read this article.

The article follows:

AMERICA'S NONEXISTENT NUCLEAR CRISIS

New production of tritium for U.S. nuclear weapons has been at a standstill since the spring of 1988, when the Department of Energy's reactors at the Savannah River plant were completely shut down as a result of safety concerns.

Since those reactors are the sole source of supply of tritium for nuclear weapons, officials of the Departments of Defense and Energy and some members of Congress have stated that production must be resumed in at least one Savannah River reactor this year or our national security will be endangered; they view a longer halt as tantamount to "unilateral disarmament." This concern is based on tritium's relatively rapid radioactive decay, necessitating its regular replacement in warheads.

DOE also has asked for over $300 million in FY 1990 to prepare for construction of two new production reactors with an estimated cost of $7.5 billion. The reactors, to be completed in 10 years, would supply 150 percent of DOE's perceived future tritium requirements for nuclear weapons. They also would be capable of producing weapon-grade plutonium.

It is our considered view that there is no critical shortage of tritium today and that claims of an imminent "crisis" distort the true situation. Congress and the American people should not be stampeded into restarting the Savannah River reactors and building costly new reactors. Instead, the existing tritium supply should be put to more efficient use to meet the nation's military needs in the near-term and proposals for new production should be reevaluated.

There are a number of important reasons to take this cautious approach.

Tritium, because of its decay rate, is a wasting asset; it makes no sense to produce more than is now needed or to fund facilities capable of producing very much more than will be needed. Plutonium, on the other hand, is long-lived and is in ample supply without new production to meet current weapons requirements.

Enough tritium exists in present inventory to sustain a fully adequate weapons stockpile, probably for at least five years without new production, if the possible effects of different management arrangements and the possible use of tritium from weapons scheduled for retirement or held in storage are taken into account. Congress needs to obtain complete information on these options from the Departments of Defense and Energy.

In view of the fact that the leaders of the United States and the Soviet Union have agreed in principle that their nuclear arsenals are much too large, a continuation of the present halt and a delay in proceeding with new production facilities would allow time to ascertain whether the ongoing Strategic Arms Reduction (START) Talks and other arms reduction initiatives will result in significantly reduced tritium requirements.

If prospects for a START agreement are realized, there would be an opportunity to reassess the need for new tritium production capacity and to take advantage of substantial reductions in the size and cost of new facilities if they are required.

If it turns out that these arms-reduction opportunities will not be realized, and a new production reactor is eventually needed, plans of the kind currently proposed could be reinstated. The delay of a few years entailed by this approach would not erode the nuclear-deterrent power the nation now possesses, nor pose any other risk to national security. It should be understood that with a stockpile of over 20,000 nuclear warheads, any reference to a "crisis" in tritium supply is quite inappropriate.

We believe a new production reactor can be built in five years, rather than 10, once planning activities are completed. A great deal more is known now about reactor design and safety than was known in the 1950s, and much time and money can be saved if construction proceeds efficiently after thorough planning and safety and environmental review.

The nation is now faced with strict limitations on federal spending because of the imperative to cut the budget deficit. Very large sums will be required to upgrade elements of the weapons-production complex to achieve improvements in safety, pollution control and efficiency, as well as to proceed with the necessary cleanup of environmental pollution resulting from 40 years of past operation. Monies now being requested for the construction of new production capacity should be applied, for at least the next few years, to such other purposes.

MAINTAINING THE ARSENAL

Tritium, a man-made radioactive isotope of hydrogen, is an essential element in modern, "boosted" nuclear warheads. The fusion of a few grams of tritium with a naturally occurring hydrogen isotope called deuterium provides a burst of neutrons at the crucial moment to amplify ("boost") the yield in fission weapons or in the fission triggers of thermonuclear weapons. Boosted warheads thus weigh less, are more compact and efficient and have lower cost. We are heavily dependent on boosting, and the Soviets use it as well.

Because tritium decays at a rate of 5.5 percent annually (it has a half-life of 12.5 years), the tritium "reservoirs" of U.S. nuclear warheads must be refilled regularly to maintain the weapon's explosive yield. The reservoirs are filled initially with a supply of tritium in excess of what is needed for the weapon to operate properly. When the excess runs down, the reservoir is exchanged for a new one. The surviving tritium in the old reservoir is recovered, purified and recycled. Tritium replenishment cycles vary for different types of warheads: It has been reported that weapons currently in the stockpile have a four- to six-year cycle, whereas the new generation of submarine-launched missiles may be charged for 10 years or more.

Provided that the essential minimum amount of tritium remains in the weapon system, it will still produce the certified yield. The size of the charge determines only the length of time the weapon may remain in the field. To provide a six-year service life after a fresh filling, the tritium loading must have an excess of at least 40 percent over the minimum amount. An eight-year service life requires an excess of 57 percent; 10 years requires approximately 75 percent above the minimum.

A CRISIS MENTALITY

In testimony before the Senate Armed Services Committee, Troy E. Wade, DOE acting assistant secretary for defense programs, said it would be necessary to restart one Savannah River reactor by the end of the year, since by then the need for new tritium would become critical. Earlier, Robert B. Barker, assistant to the secretary of defense for atomic energy, was quoted as warning that delaying restart of the reactors would be tantamount to "unilateral nuclear disarmament." These assertions have led to expressions of congressional concern. Yet a recent internal Pentagon study, re-

ported in The Boston Globe, concludes that there is an adequate supply of tritium for 18 months to two years with no alterations in resupply of weapons or any additional production.

There are a number of straightforward means that could be adopted to stretch out the period for which a given reserve supply of tritium would be adequate. The most obvious and immediately effective step would be to reconsider existing plans for tritium service life. Suppose, for example, that the current schedule calls for refilling a large number of weapons for a six-year service life. According to Troy Wade's testimony, there is only enough tritium on hand to continue the refilling operation for about one year. However, simply by changing to a three-year service life, for which the required excess in the filling is only 18 percent rather than 40, the required amount of additional tritium would be cut in half and the supply extended from one year to two years. For weapons with a service life longer than six years, the extension of inventory would be even greater.

These options would entail a doubling (or more) of the work load at facilities handling the refills. But the increase would take effect gradually and would not be difficult to prepare for. The increased number of reservoirs to be handled also would raise operating costs in the field. But this would be offset by the net savings realized from deferring new tritium production costs.

There are a number of other potential sources of tritium that could be used to avert a short-range tritium supply problem. Among these are: the 500 or so warheads to be withdrawn under the INF Treaty, along with the Pershing 1A missiles to be retired from Germany; the warheads from the Poseidon submarines retired since 1985, along with additional warheads from the two scheduled for retirement in 1989 to abide by the SALT limits; the bombs removed from the B52G bombers converted to conventional missions; some 400 enhanced radiation warheads now in storage (if their large tritium supplies have been kept intact); and the recovery of tritium from used heavy water moderators in storage at Savannah River. All these and similar sources should be exploited before it is concluded that there is any imminent "crisis."

Finally, it should be noted that if the present halt in tritium production were continued for an extended period, the weapons stockpile eventually would have to be reduced at a rate similar to the decrease in the amount of tritium on hand—that is, at the decay rate of about 5.5 percent a year. For about the first five years, such a reduction in weapons is roughly equivalent to the cuts that have been discussed in the START negotiations. Should negotiations continue beyond START with the objective of establishing a minimum effective nuclear deterrent, there would be no need to resume new tritium production for many years. In fact, the United States now has enough tritium in its 23,000 nuclear warheads to support a force of 6,000 strategic warheads for longer than 20 years and a force of 1,000 warheads for some 50 years.

But what if the START and other initiatives fail? As a worst-case scenario, suppose that the United States were to refrain from producing any tritium for five years and that at the end of that time there were no clear prospect of any arms-control agreement. We might then decide that it was essential to build up our nuclear arsenal. Would we then face a crisis in tritium supply?

No. Because even then, other sources would be available. During the non-production period, we presumably would have prepared at least one Savannah River reactor for restart. Operating even at half power, it could supply enough tritium to sustain the arsenal at its present level during the approximately five years required to complete a new production reactor. In the unlikely event that none of the remaining Savannah River reactors can be restarted safely, there are a number of other possible sources: The N reactor at Hanford, now undergoing renovation; the DOE test reactors in Idaho; and even the expedient of commercial power reactors, for which tritium target technology is now under development. Also, tritium might be acquired from France, Britain or possibly Canada.

RECOMMENDATIONS AND REALITY

Preparations now underway for construction of new production reactors should be deferred to allow Congress to become fully informed about the country's actual needs and to allow time for the START process to produce results.

The United States should not now resume production of nuclear weapon materials that are not needed and can serve only to further stimulate the arms race. Instead, it should move toward a mutual halt in the production of nuclear materials for weapons.

While the present half in production remains in effect, the United States should consider offering not to restart the Savannah River reactors or to begin construction of new production reactors for a designated period of time to give the Soviet Union the opportunity to reciprocate. The two sides may be able to proceed to a mutual halt in production of tritium and fissionable materials for weapons by a series of reciprocal steps. A mutual production halt could be monitored by national technical means and on-site inspections, supplemented by international and bilateral safeguards on civilian reactors. Such a halt is possible in the context of a START agreement and agreements on deep cuts beyond START accompanied by verification of delivery systems and warheads destroyed and retained.

The United States and the Soviet Union should not let pass an extraordinary opportunity to achieve a mutual end to the production of nuclear materials for weapons. For its part, the United States can exercise restraint and turn the present production shutdown to advantage. It should not be stampeded into premature resumption of tritium production or construction of new production capacity. If we exercise restraint, the arms reduction process can flourish.

THE AUTHORS

The following scientists have signed the tritium policy paper, prepared in collaboration with the Nuclear Control Institute in Washington, from which the above article is adapted:

Hans Bethe, a 1967 Nobel Prize winner in physics, formerly headed the theoretical-physics division at Los Alamos National Laboratory and is emeritus professor of physics at Princeton's Institute for Advanced Study, has been a frequent consultant to the Defense Department and the U.S. Arms Control and Disarmament Agency (ACDA).

Herman Feshbach, former chairman of the nuclear-science advisory committee of the National Science Foundation and former president of the American Physical Society and the American Academy of Arts and Sciences, is emeritus institute professor of physics at the Massachusetts Institute of Technology.

Val Fitch, a 1980 Nobel Prize winner in physics and professor of physics at Princeton University, was a presidential adviser on science policy and arms control in the Nixon administration.

Marvin Goldberger, former president of the California Institute of Technology and now director of Princeton's Institute for Advanced Study, chaired the committee on international security and arms control of the National Academy of Sciences.

Kurt Gottfried, professor of physics and nuclear studies at Cornell, was an officer of the American Physical Society and a consultant to the Department of Energy's high-energy-physics advisory board.

Milton Hoeing, a physicist and scientific director of the Nuclear Control Institute, was at ACDA during the Carter administration.

Franklin Long, professor emeritus of chemistry at Cornell, was research supervisor of the National Defense Research Committee from 1942 to 1945 and assistant director of ACDA under President Kennedy.

J. Carson Mark, former leader of the theoretical-physics division of Los Alamos National Laboratory, serves as a consultant to Los Alamos and other government agencies.

George Rathjens, professor of political science at MIT, was chief scientist in the Defense Advanced Research Projects Agency and in the Office of Special Assistant to the President for Science and Technology.

Victor Weisskopf, former group leader at Los Alamos National Laboratory and former director of CERN (the European Center for Nuclear Research), is emeritus institute professor of physics at MIT.●

FROM ALL WALKS OF LIFE

● Mr. KERRY. Mr. President, something remarkable happened in Massachusetts last Sunday. Nearly 18,000 people walked 6.2 miles through Boston and Cambridge to raise money for AIDS research, education, and prevention.

This was the fourth year of the walk, called From All Walks of Life and that aptly described the people who participated. Black, white, Hispanic, Asian-American, gay men and lesbians, heterosexual men and women, medical caregivers, priests, teachers, computer progammers—in short, people representing the great diversity of our citizens, took the time and trouble to spend a warm, muggy Sunday marching through Boston to help defeat this plague.

The AIDS Action Committee, under the able guidance of its executive director Larry Kessler, did a superb job of organizing the march, which was like a giant block party. Musical groups of all sorts, from chamber music to punk rock to reggae to rap to a 1940's "girl group" sparked the marchers on their way, and hundreds of volunteers made box lunches for everyone, acted as crossing guards, and blew up more balloons than one can

imagine. Fifty-one local radio stations played "That's What Friends Are For" at exactly 3:06 p.m. and eight local companies donated over 95 percent of the funds needed to support the walk, so that all of the money raised will go directly to AIDS organizations.

Mr. President, 4 years ago, 4,000 people walked and raised $500,000. This year, 18,000 people raised over $1,500,000.

I want to commend all those who participated in this great celebration of life and hope in the face of perhaps the most deadly epidemic in our lifetimes. AIDS has affected this country as a whole, and each of us personally, very deeply and in ways we do not yet perhaps realize. But out of its devastation also comes the spirit we saw Sunday as Massachusetts came together—truly "from all walks of life"—to fight it.

I ask that an article from the Boston Globe on Monday, June 9, 1989, concerning this event be printed in the RECORD.

The article follows:

FROM ALL WALKS, THEY FIGHT AIDS—NEARLY 18,000 JOIN TREK

(By Alexander Reid)

While the AIDS epidemic continues to rank as one of the nation's most devastating public health threats, nearly 18,000 people walked through Boston in a fund-raising campaign that raised more than $1.5 million.

The event, called From All Walks of Life, lived up to its billing as people from every level of society poured onto the Boston Common to prepare for the 6.2-mile trek through the city and parts of Cambridge.

Blacks, whites, gays, lesbians and heterosexuals walked side-by-side, a testament to the vast reach of the disease and how it has affected so many lives, regardless of race, sexual preference or economic status. The walk was organized by the AIDS Action Committee of Boston.

Many of the marchers said they knew at least one person, usually a friend, who had the disease or who died from it.

"AIDS is a disease that threatens every man and it should attract the attention of every man if it is ever to be defeated," said Surgeon General C. Everett Koop, who delivered an opening speech to the throng.

Koop, a Bush administration official appointed to his post by President Reagan, last month announced his intention to resign July 13. He urged his audience to "keep going until this is all over."

In the four years that the walk has been held it has become an institution among those involved in combating AIDS. It is the largest AIDS-related fund-raising event in New England.

The first walk, held in 1986, drew only 4,000 people and brought in $500,000. In each of the following years, however, with the disease taking more lives, the walk has grown, attracting corporate sponsors, larger contributions and people like George Arthur Jr., 64, an elementary school teacher.

"The spirit here, the camaraderie is wonderful," Arthur said, "This disease should not be overlooked or ignored by anyone. The crisis has not lessened and the need for action is urgent."

It was a colorful procession, with marchers wearing light clothing to weather the humid conditions.

Larry Kessler, director of the AIDS Action Committee, estimated that about 18,000 people participated in the march.

Of the $1,575,000 collected, a portion will go to other community groups and the remainder will go toward AIDS education and prevention efforts conducted by Kessler's group.

Mayor Flynn and state Health Commissioner Deborah Prothrow-Stith were among the local officials to greet the marchers on the Boston Common.

Shortly after 10 a.m., the stream of people moved peacefully down Commonwealth Avenue, onto Beacon Street to Coolidge Corner and then onto Harvard Avenue.

The marchers then came back to Commonwealth Avenue before taking the Boston University Bridge onto Memorial Drive along the Charles River.

They crossed the river at the Museum of Science and walked along the Esplanade until they reached Liederman Field.

They carried balloons, banners and placards. Some walked their dogs.

Along the route were performance groups that provided entertainment ranging from punk rock, to jazz, to dance. One group, the Dorchester Youth Collaborative's Young Nation, performed a rap routine that was popular.

By noon, when the first of the marchers reached Liederman Field, AIDS Action volunteers awaited them with box lunches, watermelon, beverages, and more music.

The scene resembled a mass picnic. It appeared that many of those who set out from the Common completed the trek.

Toward the end, marchers were asked to join hands and sing a song titled "That's What Friends Are For." It was broadcast live by 54 radio stations throughout the state.

The festive nature of the march belied its serious mission.

Said Carey Glincher, 26, a Boston University student, "This is great. We are all coming together in a way that inspires hope for the AIDS fight." Glincher said she raised $250 for the march.

Another marcher, Lee Taylor, said, "If ever there was a need to raise money this is it. This disease does not play. It's a death sentence."

Boston police reported no incidents related to the walk.●

THE GORTON/ADAMS AMENDMENT TO S. 750 TO EXTEND THE TIME LIMITATION ON A HYDROELECTRIC PROJECT IN WASHINGTON STATE

● Mr. ADAMS. Mr. President, yesterday evening the Senate adopted an amendment offered by my colleague, Senator GORTON, and myself to S. 750, a bill to extend time limitations for several hydroelectric projects. I was unable to be on the floor at that time, but I want to thank both Senator JOHNSTON, chairman of the Energy Committee and Senator MCCLURE, the ranking minority member, and the majority and minority staffs for their assistance in working out this amendment. I also want to thank the author of the bill, Senator BUMPERS, for his courtesy and cooperation in accepting this amendment.

The situation we are seeking to address in this amendment is similar to the situation that S. 750, as reported by the committee, sought to address; namely, that the demand for electricity anticipated at the time that the Cowlitz Falls hydroelectric project was conceived and licensed by the Federal Energy Regulatory Commission did not materialize as anticipated. Consequently, the licensee for the project, the Lewis County Public Utility District, has had difficulty in completing marketing and participation agreements within the deadline set by the FERC.

As we all know, predicting energy requirements years in advance is an imperfect science. In this case, the Northwest Power Planning Council, in a letter dated January 27, 1989, notified the State of Washington that "Cowlitz Falls appears to be a cost-effective resource," and that this project "* * * may be needed to serve regional electric loads as early as 1993, but on average the project would show more value if completed beyond 1993." This conclusion mirrors the difficulty that the licensee, Lewis County PUD, has had in securing participation in the project. By granting the FERC authority to extend the deadline for commencing construction of the project, this amendment will help assure the economic viability of the project and offers the opportunity to significantly reduce the economic costs of the project to Lewis County ratepayers.

The planning council has also concluded that this project, unlike many hydro projects, could contribute significantly to the restoration of anadromous fish runs in the Cowlitz River ended by previously constructed dams below this project. I also want to point out that the Washington State Department of Ecology has recently reached a settlement with the licensee resolving any remaining environmental objections raised by the department. I am appending a copy of the planning council's letter to these remarks.

The amendment would simply add the Cowlitz Falls project to the list of projects in the bill for which FERC would be authorized to grant extensions of time. The amendment also makes one technical correction in the bill, the need for which has been acknowledged by the committee. This amendment should not be controversial, and, in fact, enactment of the provision, offers the opportunity for resolving the economic and fish mitigation issues raised by critics of the project.

I would like to clarify one point concerning this amendment and the bill. It is the understanding of this Senator

and Senator GORTON that, by providing the Federal Energy Regulatory Commission with the authority to grant time extensions for the Cowlitz Falls project, we are not altering or restricting, in any way, any other requirements that might apply to the Commission's obligations to be consistent with the Pacific Northwest Electric Power Planning and Conservation Act, Public Law 96-501, or any other applicable law.

Again, I want to thank the chairman and ranking member of the Energy Committee and Senator BUMPERS for their help in working out this amendment.

I ask that the letter to which I referred be printed in the RECORD.

The letter follows:

NORTHWEST POWER PLANNING COUNCIL,
Portland, OR, January 27, 1989.

Mr. RODNEY G. SAKRISON,
Hydropower Coordinator, Water Resources Program, State of Washington Department of Ecology (PV-11), Olympia, WA.

DEAR MR. SAKRISON: This letter is in response to your request for comments regarding the timing and cost-effectiveness of the proposed Cowlitz Falls hydropower project (FERC project no. 2833). The Northwest Power Planning Council staff has performed an analysis of the revenue requirements, cost-effectiveness and associated timing of the Cowlitz Falls project. The study assumptions were consistent with the Draft 1988 Supplement to the 1986 Power Plan. Technical and cost information for Cowlitz Falls were provided by Lewis County PUD.

SUMMARY

Based on these studies, Cowlitz Falls appears to be a cost-effective resource. Of concern, however, is the potential for substantial rate impacts to Lewis County ratepayers if the project is developed solely by Lewis County PUD. These impacts could be mitigated if the costs, risks and benefits of the project are shared with other utilities. Although, deferral of completion past 1993 may be difficult because of contraints imposed by the FERC license, greater benefit would accrue if construction could be scheduled to be consistent with the need for power. Depending on load growth, the project may be needed to serve regional load as early as 1993, but on average, the project would show more value if completed beyond 1993. The Council is not prepared to assess the environmental acceptability of the project, however, the project could contribute to restoration of anadromous fish runs in the upper Cowlitz basin.

ANALYSIS

Stand-alone project levelized revenue requirements were calculated to establish the position of Cowlitz Falls in the Council's resource portfolio. A base case was first run, using the Council's standard publically-owned utility financing assumptions, "real" dollars, a 1988 inservice date and the cost components normally considered by the Council in comparing resource cost-effectiveness. The base case levelized revenue requirement was estimated to be 25.3 mills per kilowatt-hour (1988 dollars). This number is consistent with the new resource costs appearing in Chapters 3 and 4 of the 1988 Supplement to the 1986 Power Plan. It indicates that the project is potentially cost-effective, generally comparable to the high end of the "Low Cost Hydro 1" block of the 1988 Supplement.

The actual costs that would be experienced by Lewis County PUD if the project were to be developed would differ somewhat from the base case revenue requirements, for several reasons. First, the financing expected for the project (8.5 percent) is more favorable than the Council's standard financial assumptions for publically-owned utilities (9.2 percent). Second, the project is expected to come into service in 1993, in lieu of the 1988 inservice date used in calculating benchmark resource revenue requirements. Escalation of project costs in the intervening years will raise revenue requirements. Third, Lewis County PUD will pay legal and bond financing fees, estimated to be 2.5 percent of borrowed funds. Such fees have not normally been considered by the Council in assessing resource cost-effectiveness. Finally, the PUD will maintain reserve and working capital funds totalling approximately $20.3 million. Though these funds will be reinvested, a net interest expense of about 1 percent is expected to be incurred on these funds. This expense is also not normally considered by the Council in assessing resource cost-effectiveness. The net effect of these additional factors decreases the estimated levelized revenue requirement to 23.9 mills per kilowatt-hour.

The previous calculations were based on "real" i.e., inflation-free financial assumptions, as used in the Council's power plan. Real world ("nominal") project costs will be greater because interest rates include a forecasted rate of inflation. Using assumptions consistent with the foregoing analysis, the project levelized revenue requirement was calculated using nominal interest, inflation and discount rates. The nominal levelized revenue requirement was estimated to be 63.4 mills per kilowatt-hour.

Levelized revenue requirement calculations provide an estimate of the cost of developing and operating a project. But estimating the cost-effectiveness of a project requires in addition, consideration of factors such as the seasonality of energy production, possible displacement of other existing resources by the project, and the lesser value of the non-firm energy component (about 25 percent of the average energy output of the project would be non-firm energy). Cost-effectiveness is expressed as the net present value of a project to the region, and is estimated using the Council's Decision Model. Three cases were modeled. The base case was simply the resource portfolio for the 1988 Supplement and did not include Cowlitz Falls. The second case included Cowlitz Falls as a resource available for construction on a "floating" schedule. A floating schedule assumes that the project is available and could be built, consistent with forecast need, at any time during the Council's twenty year planning period. Comparison of this case with the base case yields an expected net present value benefit for the project of $51 million, if the costs and the benefits of the project accrue to the region as a whole. Note that this is the expected value outcome across 100 different load scenarios. The value would tend to be less in lower load conditions where the avoided cost of resources is lower. The value would tend to increase as loads increase.

A third case was run to determine what reduction to present value benefits might result if the project were brought into service at its currently scheduled inservice date. In this case the project was assumed to be brought into service in 1993, consistent with FERC license requirements, regardless of load level or need. This case yields a present value benefit of $48 million from a regional perspective. The reduction to present value benefits for assuming that the project is brought into service early, as required by the FERC license, is only about $3 million. This is due to both the relatively low cost of the project and its high probability of need.

A second set of cost-effectiveness studies was run to estimate the cost-effectiveness of the project if it is used to serve the loads of Bonneville and its preference customers. These studies assume that Bonneville provides no service to investor-owned utility loads. Bonneville's surplus is expected to last longer than that of the region as a whole because much of the current surplus resides on Bonneville's system, and also because Bonneville's forecasted load growth is expected to be less than that of the region as a whole. For these reasons, the project is expected to be less cost-effective from the Bonneville perspective than from the perspective of the region.

These studies were performed with a newly developed decision analysis model, which has the capability for cost differentation between the major utilities in the region. It is the only major planning tool currently available in the region with this capability. However, because it is new and relatively untested model, the results from these studies are subject to refinement. As a benchmark, this new model indicates a regional benefit of $35 million, compared to the $51 million mentioned earlier. Given the differences in model structures and real-world uncertainties in power system operation, this is a reasonable result.

A study with the new model assuming that Cowlitz Falls is built to serve only Bonneville loads, and is built on a floating schedule, results in a present value benefit to Bonneville and its customers of about $15 million. Because Bonneville has less need for the plant than the region as a whole, the reduction in present value benefits for a forced completion in 1993 will be greater. This penalty is estimated to be on the order of $10 million, reducing the value of the plant to about $5 million. Clearly, if the project is acquired to serve Bonneville loads, it is important to try to time its completion so it comes into service when needed.

Because of uncertainties associated with future loads, it is not possible to forecast a specific date by which this project, or any other project will be needed. The Decision Model, however, may be used to assess the probability that the project will be needed during the 20-year planning period. Figure 1 shows the probability of need for Cowlitz Falls if the project is used to serve regional loads. The length of the horizontal bars represent the cumulative probability of need for the project by a particular year. For example, the probability the project would be needed by 1993 is 30 percent. This probability rises to more than 50 percent by 1995, and to 98 percent by 2008. Because the probability of need within a year or two of the currently scheduled completion date is relatively high, the reduction in present value benefits for 1993 service is relatively small, as described earlier.

Figure 2 shows the probability of need for Cowlitz Falls if the project serves Bonneville loads. As expected, the probability that the project will be needed in any given year is less for the regional case. For example, the project is not needed to serve Bonneville's loads until 1996 at the earliest. There

is a 50 percent probability that the project will be needed by 2004, and the probability that the project would be needed by 2008 is 79 percent. Because these anticipated dates of need are further in the future than for the regional case, a greater reduction in present value benefits is seen for a forced completion in 1993. Again, this emphasizes the importance of a floating schedule if the project is used to serve Bonneville's loads.

The present value benefits, and probabilities of need estimated for Bonneville acquisition are subject to the uncertainty of investor-owned utility load placement upon Bonneville. While no investor owned utility has announced that it will be placing long-term load on Bonneville, such placement would accelerate Bonneville's need for new resources.

Though the proposed Cowlitz Falls project appears to be cost-effective from both the region's and Bonneville's perspective, the potential impact of this project on Lewis County PUD rates is of great concern to the Council. Because of the large size of Cowlitz Falls relative to Lewis County PUD loads, using the entire project to serve just the PUD's loads would have substantial near-term rate impacts. We estimate the first year cost of the project to be approximately 62 mills per kilowatt-hours, greatly in excess of the expected cost of purchases from Bonneville at that time. These rate impacts could be largely mitigated if the project were acquired by Bonneville or if the project were jointly developed in partnership with another regional entity. For this reason, the Council encourages Lewis County PUD to pursue Bonneville acquisition or partnership with another utility to facilitate cost-effective development of Cowlitz Falls without unacceptable rate impacts to the customers of Lewis County PUD.

Finally, while Cowlitz Falls appears to be cost-effective from an economic prespective, the Council is not prepared to take a position regarding the overall environmental acceptability of the project. However, it is important to note that the project is not precluded from construction by the Council's protected area criteria, and, in fact, may contribute to the restoration of anadromous fish runs in the upper Cowlitz basin. In accordance with the Lewis County PUD agreement with the Washington Department of Wildlife, the project will be designed to accommodate the future addition of facilities for the capture and collection of downstream migrant fish. This would allow restoration of anadromous fish runs in the upper Cowlitz basin via collection and transport of migrants around Cowlitz Falls and downstream dams currently blocking such runs.

The merits of such a program will be addressed in the Council's subbasin planning process, currently underway. In 1987 the Council adopted a system planning process for purposes of increasing Columbia River anadromous fish runs. The Council's goal is an increase of 2.5 million salmon and steelhead. In this process, each subbasin in the Columbia River Basin will be reviewed for anadromous fish enhancement needs, opportunities and constraints. An integrated plan will be developed to coordinate andromous fish enhancement projects regionwide. Though it is premature to say what enhancement measures may be appropriate for the Cowlitz River system until the system planning process is complete, the ability to use the Cowlitz Falls project as a downstream migrant collection facility may be beneficial if the Council decides to return the upper Cowlitz basin to anadromous fish production.

The Council greatly appreciates the opportunity to submit testimony on the Cowlitz Falls project. I, or Ed Sheets of the Council staff are available to answer questions regarding this testimony.

Yours truly,

TOM TRULOVE,
Chairman.●

AWARD TO PEORIA, IL

● Mr. SIMON. Mr. President, I would like to take a moment to recognize the recent award bestowed on a city in my home State of Illinois.

Every year for the past 40 years the National Civic League presents its All-America City Awards to 10 communities that best exemplify what can be achieved when members of a community work together. This year, Peoria, IL, was one of the 10 cities receiving this high honor.

I am proud of the leaders and citizens of Peoria for this fine achievement. It was just several years ago that Peoria was in a deep recession due to decline in local industry. During this period there was a sense that perhaps Peoria was beginning to follow the path of so many industrial communities hard hit by the recession of the early 1980's. In 1985, however, with new leadership and invigoration, a program known as Forward Peoria was implemented.

This program has helped to turn the tide for the residents of Peoria from its focus on the recession to a new focus on a stronger, more vibrant community. In short, the leaders and residents of Peoria have come together to revive the spirit of their great city. I commend Peoria for this inspiring turnaround and anticipate its continued growth in the years to come.

Mr. President, I have long been aware of the high caliber of the people and communities in Illinois and am pleased and proud that the achievements of one of these communities has received such a high honor from the National Civic League.●

PRIME MINISTER BENAZIR BHUTTO, PAKISTAN

● Mr. DECONCINI. Mr. President, I would like to congratulate Pakistani Prime Minister Benazir Bhutto on the policies she announced in her address to the Joint Session of Congress on Wednesday. Her stated dedication to nonproliferation is vital to the safety not only of the people of Pakistan, but of every person on the face of the Earth.

The United States has had long-standing concerns over reports about Pakistan's nuclear development program. Congress has stipulated that if Pakistan develops a nuclear weapons capability, economic and military aid would be terminated. Prime Minister Bhutto allayed some of our fears. She said, "Speaking for Pakistan, I can declare that we do not possess, or do we intend to make, a nuclear device. That is our policy."

Her commitment to "a regional approach to the nuclear problem" will play an important role in keeping the peace on the Asian subcontinent. The safeguards, inspections and verifications which she said Pakistan is ready to accept, are tools essential to ensuring that the arms race in the region will not escalate. I share her desire to work for a test ban treaty between Pakistan and its neighbors. Specifically, I hope that the goal of talks between India and Pakistan on forestalling an arms race will become a major part of U.S. policy.

For its part, India's Defense Minister K.C. Pant recently announced that India is considering the option of integrating missile systems with the armed forces. He said India has achieved a breakthrough in missile technology with the May 22 launching of the intermediate range surface to surface missile "Agni." These events do not work to allay the concerns of India's neighbors about India's peaceful intentions in the region. As India continues to develop its missile technology, the need for talks and, perhaps a test ban treaty, becomes even greater.

Prime Minister Bhutto said, "We are prepared for any negotiation to prevent the proliferation of nuclear weapons in our region. We will not provoke a nuclear arms race in the subcontinent." I congratulate her on her reinteration of Pakistan's nuclear policies. I encourage countries in the region to develop confidence building measures which will promote stability by decreasing the fears created by a constant nuclear threat.●

AMERICA'S "UNDERUSED" CITIZENS

● Mr. SIMON. Mr. President, I ask to have printed in the RECORD a column I wrote tipping my hat to the University of Illinois men's wheelchair basketball team, new national champions, and the University of Illinois women's wheelchair team, runners-up for the national title.

AMERICA'S "UNDERUSED" CITIZENS

(By Paul Simon)

Just about everyone in Illinois knows that the University of Illinois men's basketball team lost to the University of Michigan by the narrowest of margins in one of the Final Four games of the national championship.

Hardly anyone knows about a victory scored by the University of Illinois that is in many ways more heartening. The University of Illinois men's wheelchair basketball team won the national championship, defeating Temple University of Philadelphia.

And the Illinois women's wheelchair team lost in the national finals to Minnesota.

I am frankly less interested in whether they won or lost than the fact they were playing.

It is a powerful demonstration of the potential of those who use wheelchairs.

There was a day when people assumed that if you had a major disability, you were destined to a life of existence but not much more. That people who are blind or deaf or who have other disabilities can make major contributions is a reality that more and more are gradually understanding.

Through the visibility of athletics, the University of Illinois and other schools are demonstrating the capabilities of underused citizens.

I happened to see Sen. Bob Dole on television the other day, talking about people with disabilities. Bob lost the use of his right arm during World War II. Yes, he's disabled. But, yes, he also contributes immensely to the nation.

Hundreds of thousands of people read the writings of Henry Kisor, book editor of the Chicago Sun-Times, but probably fewer than 1 percent of those who read his column know that he is deaf.

Paul Scher, national manager for rehabilitation services for Sears in Chicago, is blind. Susan Suter, who had polio, is director of the Illinois Department of Public Aid.

Yes, I'm proud of the University of Illinois wheelchair teams and their coach Brad Hedrick.

But I'm equally proud of those unknown university administrators who decided to have a team, to make the campus accessible for those in wheelchairs and to make the campus visibly aware that people with disabilties have great potential, along with all other people."

I am proud to be a cosponsor of a bipartisan bill introduced in the Senate May 9—the Americans with Disabilities Act—to guarantee that all of our citizens with disabilities have a chance to use their potential. I hope we have the good sense to pass it quickly.

An underused resource in the nation are all the people with disabilities—some disabilities visible and some not visible—and we will help the economy of the nation if we do what is both humanitarian and right.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar Item No. 166, John M. Farren, to be Under Secretary of Commerce for International Trade; Calendar Item No. 167, Alfred A. DelliBovi, to be Under Secretary of Housing and Urban Development; and Calendar Item No. 168, John B. Taylor, to be a member of the Council of Economic Advisers.

I further ask unanimous consent that the nominees be confirmed en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc, that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered en bloc and confirmed en bloc are as follows:

DEPARTMENT OF COMMERCE

John Michael Farren, of Connecticut, to be Under Secretary of Commerce for International Trade.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Alfred A. DelliBovi, of New York, to be Under Secretary of Housing and Urban Development.

EXECUTIVE OFFICE OF THE PRESIDENT

John B. Taylor, of California, to be a member of the Council of Economic Advisers.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar items numbered 85 through 115 en bloc; that any amendments, where indicated, be considered and agreed to; that the joint resolutions be deemed to have been read a third time and passed; that the simple and concurrent resolutions be considered and agreed to; that the preambles, where indicated, be agreed to; and that the motion to reconsider the passage of these resolutions en bloc be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

MENTAL ILLNESS AWARENESS WEEK

The joint resolution (S.J. Res. 55) to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 55

Whereas mental illness is a problem of grave concern and consequence in American society, widely but unnecessarily feared and misunderstood;

Whereas thirty-one to forty-one million Americans annually suffer from clearly diagnosable mental disorders involving significant disability with respect to employment, attendance at school, or independent living;

Whereas more than ten million Americans are disabled for long periods of time by schizophrenia, manic depressive disorder, and major depression;

Whereas between 30 and 50 percent of the homeless suffer serious, chronic forms of mental illness;

Whereas alcohol, drug, and mental disorders affect between 19 percent of American adults in any six-month period;

Whereas mental illness in at least twelve million children interferes with vital developmental and maturational processes;

Whereas mental disorder-related deaths are estimated to be thirty-three thousand, with suicide accounting for at least twenty-nine thousand, although the real number is thought to be at least three times higher;

Whereas our growing population of the elderly is particularly vulnerable to mental illness;

Whereas estimates indicate that one in ten AIDS patients will develop dementia or other psychiatric problems as the first sign of the disease and as many as two-thirds of AIDS patients will show neuropsychiatric symptoms before they die;

Whereas mental disorders result in staggering costs to society, estimated to be in excess of $249,000,000,000 in direct treatment and support and indirect costs to society, including lost productivity;

Whereas mental illness is increasingly a treatable disability with excellent prospects for amelioration and recovery when properly recognized;

Whereas families of mentally ill persons and those persons themselves have begun to join self-help groups seeking to combat the unfair stigma of the diseases, to support greater national investment in research, and to advocate an adequate continuum of care from hospital to community;

Whereas in recent years there have been unprecedented major research developments bringing new methods and technology to the sophisticated and objective study of the functioning of the brain and its linkages to both normal and abnormal behavior;

Whereas research in recent decades has led to a wide array of new and more effective modalities of treatment (both somatic and psychosocial) for some of the most incapacitating forms of mental illness (including schizophrenia, major affective disorders, phobias, and phobic disorders);

Whereas appropriate treatment of mental illness has been demonstrated to be cost effective in terms of restored productivity, reduced utilization of other health services, and lessened social dependence; and

Whereas recent and unparalleled growth in scientific knowledge about mental illness has generated the current emergence of a new threshold of opportunity for future research advances and fruitful application to specific clinical problems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the seven-day period beginning October 1, 1989, and ending October 7, 1989, is designated as "Mental Illness Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

TWENTY-FIFTH ANNIVERSARY OF THE WILDERNESS ACT

The joint resolution (S.J. Res. 67) to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 67

Whereas 1989 marks the twenty-fifth anniversary of the establishment of the National Wilderness Preservation System;

Whereas wilderness areas were created to secure for the American people the benefits of an enduring resource of wilderness;

Whereas Congressionally designated wilderness is an area of undeveloped Federal land where earth and nature are untrammeled by man, and where man is a visitor who does not remain;

Whereas wilderness areas allow us to preserve ecological, geological, scientific, educational, scenic, and historical values;

Whereas wilderness areas provide outstanding opportunities for solitude and primitive recreation;

Whereas in 1924 the Gilda Wilderness in New Mexico was the first administratively designated wilderness in the nation, and became statutory wilderness in 1964;

Whereas there are four hundred and seventy-four units totaling nearly ninety-one million acres in forty-four States that comprise the National Wilderness Preservation System today;

Whereas a wide range of individuals, organizations, and agencies with differing perspectives have worked with Congress to promote preservation of wilderness areas;

Whereas the Forest Service, the National Park Service, the Fish and Wildlife Service, and the Bureau of Land Management are entrusted to protect and manage our wilderness heritage;

Whereas the Wilderness Act passed in both houses of Congress with a strong sense of bipartisan support; and

Whereas the Wilderness Act was signed into law on September 3, 1964 by President Lyndon Baines Johnson: Now, therefore, be it

Resolved, by the Senate and the House of Representatives of the United States of America in Congress assembled, That the week of September 3 through September 9, 1989, is designated as "National Wilderness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate activities and programs.

GAUCHER'S DISEASE AWARENESS WEEK

The joint resolution (S.J. Res. 73) to designate the week beginning October 29, 1989, as "Gaucher's Disease Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 73

Whereas Gaucher's disease is caused by the failure of the body to produce an essential enzyme;

Whereas the absence of such enzyme causes the body to store abnormal quantities of lipids in the liver and spleen and frequently has an adverse effect on tissues in the body, particularly bone tissue;

Whereas among Jewish persons, Gaucher's disease is the most common inherited disorder affecting the metabolism of lipids, which are one of the principle structural components of living cells;

Whereas there is known cure for Gaucher's disease and no successful treatment of the symptoms of the disease;

Whereas the increased awareness and understanding of Gaucher's disease by the people of the United States can aid in the development of a treatment and cure for the disease;

Whereas the National Gaucher's Disease Foundation provides funds for research in the United States with respect to the disease; and

Whereas research and clinical programs with respect to Gaucher's disease should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 29, 1989, is designated as "Gaucher's Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

FOOD SCIENCE AND TECHNOLOGY WEEK

The joint resolution (S.J. Res. 76) to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 76

Whereas the quality and quantity of the food supply in the United States are unmatched by those of any other country;

Whereas nutritious foods are available at a reasonable cost, for consumption both at home and away from home, throughout the year;

Whereas food scientists and technologists of the United States, working in education and government, have been innovative world leaders in the development, preservation, and distribution of safe and nutritious foods;

Whereas food science and technology has been taught in American universities increasingly and intensively for the past fifty years;

Whereas there are more than fifty universities in the United States with departments offering programs leading to B.S., M.S., and Ph.D. degrees in food science and technology;

Whereas academic institutions in the United States have trained tens of thousands of food scientists and technologists, both from this country and abroad;

Whereas food scientists and technologists have developed new technologies in food production, and their counterparts in government have guided the application of good manufacturing practices to assure a safe food supply;

Whereas the United States continues to be a leader in food technology transfer to developing countries;

Whereas low cost and nutritious foods developed in the United States can now be found in virtually every third world country;

Whereas the world has looked to the United States for innovations in food product and process development; and

Whereas American universities, and State and local governments are working together with the Federal Government in researching and developing an even more nutritious and safe food supply for the nation and the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on June 21, 1989, and ending on June 28, 1989, is designated as "Food Science and Technology Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such period with appropriate ceremonies and activities.

NATIONAL HOSPICE MONTH

The joint resolution (S.J. Res. 78) to designate the month of November 1989 and 1990 as "National Hospice Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 78

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent, and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care for the patient and family by attending to their physical, emotional, and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and community volunteers trained in the hospice concept of care;

Whereas hospice is becoming a full partner in the Nation's health care system;

Whereas the enactment of a permanent medicare hospice benefit and an optional medicaid hospice benefit makes it possible for many more Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November in 1989 and 1990 is designated as "National Hospice Month". The President is requested to issue a proclamation calling upon all government agencies, the health care community, appropriate private organizations, and people of the United States to observe each of those months with appropriate forums, programs and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and as a viable components of the health care system in this country.

NATIONAL WEEK OF RECOGNITION AND REMEMBRANCE FOR THOSE WHO SERVED IN THE KOREAN WAR

The joint resolution (S.J. Res. 85) to designate the week of July 24 to July 30, 1989, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 85

Whereas on June 25, 1950, the Communist army of North Korea invaded and attacked South Korea, initiating the Korean war;

Whereas the week of July 24 to July 30, 1989, includes July 27, the thirty-sixth anniversary of the cease-fire agreement that ended the active combat of the Korean war;

Whereas the Korean war was brought to an end primarily through the efforts of the United States Armed Forces;

Whereas for the first and only time in history a United Nations command was created, with the United States as the executive agent, to repel this invasion and preserve liberty for the people of the Republic of Korea;

Whereas, in addition to the United States and Republic of Korea, twenty other member nations provided military contingents to serve under the United Nations banner;

Whereas after three years of active hostilities, the territorial integrity of the Republic of Korea was restored, and the freedom and independence of its people are assured even to this date;

Whereas over five million seven hunderd thousand American servicemen and women were involved directly or indirectly in the war;

Whereas American casualties during that period were fifty-four thousand two hundred and forty-six dead, of which thirty-three thousand six hundred and twenty-nine were battle deaths, one hundred and three thousand two hundred and eighty-four were wounded, eight thousand one hundred seventy-seven listed as missing or prisoners of war, and three hundred and twenty-eight prisoners of war are still unaccounted for;

Whereas, although the Korean war has been known as America's "Forgotten War", those who served have never forgotten, and this Nation should never forget the sacrifice made by those who fought and died in Korea for the noble and just cause of freedom;

Whereas the Congress and the President of the United States have enacted a law authorizing the establishment of a Korean War Veterans Memorial in the Nation's Capital to recognize and honor the service and sacrifice of those who participated in the Korean war;

Whereas increasing numbers of Korean war veterans are setting aside July 27, the anniversary date of the armistice, as a special day to remember those with whom they served and to honor those who made the supreme sacrifice in a war to preserve the ideals of freedom and independence; and

Whereas on this significant anniversary of the cease-fire which started the longest military armistice in modern history, it is right and appropriate to recognize honor, and remember the service and sacrifice of those who endured the rigors of combat and the extremes of a hostile climate under the most trying conditions and still prevailed to preserve the independence of a free nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of July 24 to July 30, 1989, is designated as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, and to urge the departments and agencies of the United States and interested organizations, groups, and individuals to fly the American flag at half staff on July 27, 1989, in honor of those Americans who died as a result of their service in Korea.

NATIONAL CHECK-UP WEEK

The joint resolution (S.J. Res. 95) to designate the week of September 10, 1989, through September 16, 1989, as "National Check-up Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 95

Whereas more than 34,000,000 Americans are hospitalized each year;

Whereas nearly 66,000,000 Americans are afflicted with some form of heart or blood vessel disease;

Whereas approximately 34,000,000 Americans between the ages 24 and 74 suffer from obesity;

Whereas more than 60,000,000 Americans suffer from high blood pressure;

Whereas an estimated 25 percent of adult Americans have elevated blood cholesterol levels;

Whereas annual medical check-ups can decrease the number of hospitalizations, reduce the likelihood of a serious illness or premature death, and curb escalating health care costs; and

Whereas annual medical screening may reveal previously undetected high blood pressure, high blood cholesterol, cancer, and obesity-related ailments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 10 through September 16, 1989, is designated as "National Check-Up Week". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

NATIONAL LITERACY DAY

The joint resolution (S.J. Res. 96) designating July 2, 1989, as "National Literacy Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 96

Whereas literacy is a necessary tool for survival in our society;

Whereas thirty-five million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three-hundred thousand persons, including one million two-hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase to 50 per centum by 1990;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the fee services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1989, is designated as "National Literacy Day", and the President is authorized and requested to

issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL WEEK OF OUTREACH TO THE RURAL DISABLED

The joint resolution (S.J. Res. 105) to designate October 7 through October 14, 1989, as "National Week of Outreach to the Rural Disabled," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 105

Whereas approximately 3,400,000 rural Americans of working age are disabled;

Whereas work disabilities are proportionally more prevalent in rural areas than urban areas and the rural disabled are more disadvantaged than their urban counterparts;

Whereas insufficient attention has been given to the unique problems faced by the rural disabled in the United States; and

Whereas there is a need to focus more attention on the unmet needs of the rural disabled, to underscore their potential, and to encourage outreach programs by rural communities to their disabled members: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 7 through October 14, 1989, is hereby designated "National Week of Outreach to the Rural Disabled", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

NATIONAL TEACHER APPRECIATION DAY

The joint resolution (S.J. Res. 108) designating October 3, 1989, as "National Teacher Appreciation Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 108

Whereas education of the Nation's youth is the foundation of the Nation's future;

Whereas education is a lifelong process which is beneficial to the individual and thus beneficial to the entire Nation;

Whereas teachers deserve credit for their invaluable role in providing education;

Whereas teaching not only involves traditional areas of education, but today also includes vocational education, continuing education, and education for special needs;

Whereas teachers contribute not only to the academic growth of students, but also to their ethical, social, and emotional development;

Whereas a student's respect for his or her teacher is essential to the student's ability to learn; and

Whereas the contributions of teachers should be celebrated often in order to honor the role or teachers in society and to affirm and foster respect for teachers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 3, 1989, is designated as "National Teacher Appreciation Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

The joint resolution (S.J. Res. 109) to designate the period commencing September 11, 1989, and ending on September 15, 1989, as "National Historically Black Colleges Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 109

Whereas there are 107 Historically Black Colleges and Universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the Historically Black Colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing September 11, 1989, and ending on September 15, 1989, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for Historically Black Colleges and Universities in the United States.

RAOUL WALLENBERG DAY

The joint resolution (S.J. Res. 110) designating October 5, 1989, as "Raoul Wallenberg Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 110

Whereas in January 1944, the United States War Refugee Board asked Sweden to send a representative to Hungary to organize operations for the Hungarian Jewish community which was marked for liquidation by the Nazis;

Whereas the Swedish representative, Raoul Wallenberg, through a combination of what has been described as "bluff, heroism, and a contempt for convention" waged a bold campaign in Hungary to thwart the "final solution";

Whereas in the 6 months he was in Budapest, Raoul Wallenberg managed to, directly and indirectly, save the lives of some 100,000 men, women, and children;

Whereas Raoul Wallenberg risked his own life countless times during his work, dragging Jews from trains bound for gas chambers, bringing food and blankets to those on death marches, and unflinchingly challenging Nazi authorities;

Whereas Raoul Wallenberg was taken into Soviet "protective custody" on January 13, 1945, in violation of international standards of diplomatic immunity;

Whereas Soviet officials originally denied having custody of Wallenberg, but subsequently stated that a prisoner named "Wallenberg" died in a Soviet prison on July 17, 1947;

Whereas eyewitness accounts over the years, and as recently as December 1986, indicate that Raoul Wallenberg may indeed still be alive and imprisoned in the Soviet Union;

Whereas the Soviet Union has never produced a death certificate or the remains of Raoul Wallenberg to prove that he died;

Whereas the Soviet Union, despite numerous attempts by Swedish and American officials, refuses to look into the reports that Raoul Wallenberg is still alive;

Whereas just as Raoul Wallenberg did not forget the Jewish people when it seemed that the rest of the world had forgotten, Raoul Wallenberg and all that he did for the cause of humanity must never be forgotten; and

Whereas on October 5, 1981, the President of the United States signed into law a proclamation making Raoul Wallenberg an honorary citizen of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 5, 1989, is designated as "Raoul Wallenberg Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

NATIONAL FAMILY WEEK

The joint resolution (S.J. Res. 117) to designate the week of November 19, 1989, through November 25, 1989, and the week of November 18, 1990, through November 24, 1990, as "National Family Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 117

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of November 19, 1989, through November 25, 1989, and the week of November 18, 1990, through November 24, 1990, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

GERMAN-AMERICAN DAY

The joint resolution (S.J. Res. 118) designating October 6, 1989, as "German-American Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 118

Whereas the Senate of the United States unanimously passed joint resolutions designating October 6, 1987, and October 6, 1988, as "German-American Day";

Whereas President Ronald W. Reagan issued proclamations in 1987 and 1988 acknowledging "German-American Day" and held formal ceremonies in the Rose Garden and the Roosevelt Room of the White House;

Whereas the work and contributions to the development and culture of the United States by German-Americans, since the arrival of the first German immigrants in the United States on October 6, 1683, merits a tribute to the achievements of German-Americans;

Whereas German-Americans, as in the past, continue to contribute to the development, life, and culture heritage of the United States, and will work for and will support the democratic principles of the Government of the United States and the freedom of all people;

Whereas such contributions should be recognized and celebrated in 1989; and

Whereas German-Americans are interested in having "German-American Day" established as an annual event on October 6: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 6, 1989, is designated as "German-American Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such day with appropriate ceremonies and activities.

GEOGRAPHY AWARENESS WEEK

The joint resolution (S.J. Res. 120) to designate the period commencing November 12, 1989, and ending November 18, 1989, as "Geography Awarness Week," was considered ordered to be engrossed for a third reading, read the third time, and passed.

The joint resolution and the preamble are as follows:

S.J. RES. 120

Whereas geography is the study of people, their environments, and their resources;

Whereas the United States of America is a truly unique nation with diverse landscapes, bountiful resources, a distinctive multiethnic population, and a rich cultural heritage, all of which contribute to the status of the United States as a world power;

Whereas, historically, geography has aided Americans in understanding the wholeness of their vast nation and the great abundance of its natural resources;

Whereas geography today offers perspectives and information in understanding ourselves, our relationship to the Earth, and our interdependence with other peoples of the world;

Whereas statistics illustrate that a significant number of American students could not find the United States on a world map, could not identify Alaska and Texas as the Nation's largest States, and could not name the New England States;

Whereas, according to a recent Gallup poll, Americans ranked among the bottom third on an international test of geography knowledge, and those age eighteen to twenty-four came in last;

Whereas geography has been offered to fewer than one in ten United States secondary school students as part of the curriculum;

Whereas departments of geography are being eliminated from American institutes of higher learning, thus endangering the discipline of geography in the United States;

Whereas traditional geography has virtually disappeared from the curricula of American schools while still being taught as a basic subject in other countries, including the United Kingdom, Canada, Japan, and the Soviet Union;

Whereas an ignorance of geography, foreign languages, and cultures places the United States at a disadvantage with other countries in matters of business, politics, and the environment;

Whereas the United States is a nation of worldwide involvements and global influence, the responsibilities of which demand an understanding of the lands, languages, and cultures of the world; and

Whereas, one-third of adult Americans can not name four of the sixteen NATO member nations, and another one-third can not name any;

Whereas national attention must be focused on the integral role that knowledge of world geography plays in preparing citizens of the United States for the future of an increasingly interdependent and interconnected world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing November 12, 1989, and ending November 18, 1989, is designated as "Geography Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

NATIONAL DOWN'S SYNDROME MONTH

The joint resolution (S.J. Res. 122) to designate October 1989 and 1990 as "National Down's Syndrome Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 122

Whereas the past two decades have brought a greater and more enlightened attitude in the care and training of the developmentally disabled;

Whereas one such condition which has undergone considerable reevaluation is that of Down syndrome—a condition which, just a short time ago, was often stigmatized as a mentally retarded condition which relegated its victims to lives of passivity in institutions and back rooms;

Whereas through the efforts of concerned physicians, teachers and parent groups such as the National Down Syndrome Congress, programs are being put in place to educate new parents of babies with Down syndrome, to develop special education classes within mainstream programs in schools, to provide for vocational training in preparation for entering the work force, and to prepare young adults with Down syndrome for independent living in the community;

Whereas the cost of such services designed to help individuals with Down syndrome move into their rightful place in our society is but a tiny fraction of the cost of institutionalization;

Whereas only the improvement in educational opportunities for those with Down syndrome, but also the advancement in medical science is adding to a brighter outlook for individuals born with this chromosomal configuration; and

Whereas public awareness and acceptance of the capabilities of children with Down syndrome can greatly facilitate their being mainstreamed in our society: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That October 1989 and 1990 are designated as "National Down Syndrome Month" and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated month with appropriate programs, ceremonies, and activities.

NATIONAL QUALITY MONTH

The joint resolution (S.J. Res. 124) to designate October as "National Quality Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 124

Whereas the design and manufacture of quality commercial products and goods and the provision of services of the highest quality are fundamental to the success of the United States in the world marketplace, to the improvement of the standard of living of the people of the United States, and to the security of the United States.

Whereas the United States has been a world leader in producing quality goods and services and the leadership has resulted in a worldwide market for the products of the United States;

Whereas in recent years, the leadership of the United States in producing quality goods has been challenged by foreign competition and the rate of growth of the productivity of the United States is currently less than the rate of growth of the productivity of some of the competitors of the United States;

Whereas a commitment to continuous quality improvement, using recognized quality principles and practices has been demonstrated to be the most effective way to regain and solidify economic leadership in the world marketplace;

Whereas over the past 5 years, virtually every segment of business and industry in the United States and many units of government have adopted quality management principles and experienced resulting dramatic improvements in productivity;

Whereas the Federal Government promotes quality through such programs as the Malcolm Baldridge National Quality Award of the Department of Commerce, the Federal Quality Institute, the President's Council on Management Improvement, the Productivity Improvement Plan of the Department of Defense, and the NASA Excellence Award for Quality and Productivity;

Whereas regional quality movements have promoted quality management philosophy and quality management principles and have begun to develop a sense of quality consciousness within particular regions of the Nation;

Whereas cognizance of quality, like cognizance of safety, is an attitude that once instilled in individuals becomes ingrained;

Whereas implementation of quality principles in manufacturing and service operations increases productivity through emphasis on waste reduction, defect prevention, and improved reliability of products and services;

Whereas the American Society for Quality Control has been a leader in the development, promotion, and application of quality and quality-related technology since 1946;

Whereas the American Society for Quality Control, together with other national professional organizations, business, industry, government, and academia, is sponsoring activities to observe National Quality Month to promote awareness of the need for quality in production and services throughout the United States; and

Whereas the theme of National Quality Month will be "Quality First," to emphasize that quality is an integral part of the processes that create goods and services: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October is designated as "National Quality Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

BICENTENNIAL OF THE U.S. COAST GUARD

The joint resolution (S.J. Res. 126) commemorating the bicentennial of the U.S. Coast Guard, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 126

Whereas August 4, 1990, marks the 200th anniversary of the Act of August 4, 1790, by which Congress authorized 10 revenue cutters requested by Alexander Hamilton for the purpose of interdicting violators of the customs laws;

Whereas the seagoing service which began with those first 10 cutters lives on in the form of the service now known as the "United States Coast Guard";

Whereas the Coast Guard has served this Nation well, in war and peace, in both the defense of this Nation against foreign enemies and against the use of the sea for crimes against the Nation;

Whereas the Coast Guard has also served this Nation well in protecting against the perils of the sea, by rescuing those in danger at sea, maintaining aids to navigation, and regulating the safety of vessels;

Whereas the Coast Guard, despite its small size, has served the Nation in these and in many other areas with efficiency and gallantry;

Whereas the Coast Guard's present-day battle against the importation of drugs by sea reminds us of the origins of the Coast Guard with those first 10 cutters 200 years ago, and of the other essential services performed by the Coast Guard; and

Whereas the bicentennial of the Coast Guard will be commemorated during the period beginning August 4, 1989, and ending August 4, 1990: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress of the United States hereby gives recognition to the two centuries of service by the United States Coast Guard and authorizes and requests the President to issue a proclamation calling upon the people of the Nation to share in the pride and satisfaction enjoyed by the dedicated and committed members of the United States Coast Guard during the commemoration of this bicentennial.

VOCATIONAL-TECHNICAL EDUCATION WEEK

The joint resolution (S.J. Res. 130) designating February 11 through February 17, 1990, as "Vocational-Technical Education Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 130

Whereas vocational-technical education prepares the Nation's work force by providing students with basic academic and occupational skills;

Whereas vocational-technical education stresses the importance of positive work attitudes and values;

Whereas vocational-technical education builds the leadership skills of students by encouraging them to participate in student organizations;

Whereas vocational-technical education stimulates the growth and vitality of the Nation's businesses and industries by preparing workers for the majority of occupations forecasted to experience the largest and fastest growth in the next decade;

Whereas vocational-technical education encourages entrepreneurship among students through units of study and courses designed to prepare them to start and manage their own businesses;

Whereas a strong vocational-technical education program planned and carried out by trained vocational-technical educators is vital to the future economic development of the Nation and to the well-being of its citizens;

Whereas the Future Business Leaders of America, the Future Homemakers of America and Home Economics Related Occupations, the Future Farmers of America, the Distributive Education Clubs of America, the Vocational Industrial Clubs of America, the American Industrial Arts Student Association, the National Association of Trade and Technical Schools, the Health Occupation Students of America, the National Association of State Councils on Vocational Education, and the American Vocational Association have joined efforts to give added definition to vocational-technical education;

Whereas the planned theme for Vocational-Technical Education Week is "Vocational-Technical Education: It Works": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February 11 through February 17, 1990, is designated as "Vocational-Technical Education Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such period with appropriate programs, ceremonies and activities.

NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH

The joint resolution (S.J. Res. 133) designating October 1989 as "National Domestic Violence Awareness Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 133

Whereas it is estimated that a woman is battered every fifteen seconds in America;

Whereas domestic violence is the single largest cause of injury to women in the United States, affecting three million to four million women;

Whereas urban and rural women of all racial, social, religious, ethnic, and economic groups, and of all ages, physical abilities, and lifestyles are affected by domestic violence;

Whereas 30 per centum of female homicide victims in 1986 were killed by their husbands or boyfriends;

Whereas one-third of the domestic violence incidents involve felonies, specifically, rape, robbery, and aggravated assault;

Whereas in 50 per centum of families where the wife is being abused, the children of that family are also abused;

Whereas some individuals in our law enforcement and judicial systems continue to think of spousal abuse as a "private" matter and are hesitant to intervene and treat domestic assault as a crime;

Whereas in 1986, over three hundred and eleven thousand women, plus their children, were provided emergency shelter in domestic violence shelters and safehomes and the number of women and children that were sheltered by domestic violence programs increased by nearly one hundred thousand between 1983 and 1986;

Whereas for every one woman sheltered nationwide, two women in need of shelter may be turned away due to a lack of shelter space;

Whereas the nationwide efforts to help the victims of domestic violence need to be coordinated;

Whereas there is a need to increase the public awareness and understanding of domestic violence and the needs of battered women and their children; and

Whereas the dedication and successes of those working to end domestic violence and the strength of the survivors of domestic violence should be recognized: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1989 is designated as "National Domestic Violence Awareness Month". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe this month by becoming more aware of the tragedy of domestic violence, supporting those who are working to end domestic violence, and participating in other appropriate efforts.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

The joint resolution (S.J. Res. 136) designating August 8, 1989, as "National Neighborhood Crime Watch Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 136

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level;

Whereas neighborhood crime watch groups can contribute to the Nation's war on drugs by helping to prevent their communities from becoming markets for drug dealers;

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 10 o'clock post-meridian on August 8, 1989, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 8, 1989, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

NATIONAL LAW ENFORCEMENT TRAINING WEEK

The joint resolution (S.J. Res. 137) designating January 7, 1990, through January 13, 1990, as "National Law Enforcement Training Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 137

Whereas law enforcement training and sciences related to law enforcement are critical to the immediate and long-term safety and well-being of this Nation because law enforcement professionals provide service and protection to citizens in all sectors of society;

Whereas law enforcement training is a critical component of national efforts to protect the citizens of this Nation from violent crime, to combat the malignancy of illicit drugs, and to apprehend criminals who commit personal, property, and business crimes;

Whereas law enforcement training serves the hard working and law abiding citizens of this Nation;

Whereas it is essential that the citizens of this Nation be able to enjoy an inherent right of freedom from fear and learn of the significant contributions that law enforcement trainers have made to assure such right;

Whereas it is vital to build and maintain a highly trained and motivated law enforcement work force that is educated and trained in the skills of law enforcement and sciences related to law enforcement in order to take advantage of the opportunities that law enforcement provides;

Whereas it is in the national interest to stimulate and encourage the youth of this Nation to understand the significance of law enforcement training to the law enforcement profession and to the safety and security of all citizens;

Whereas it is in the national interest to encourage the youth of this Nation to appreciate the intellectual fascination of law enforcement training; and

Whereas it is in the national interest to make the youth of this Nation aware of career options available in law enforcement and disciplines related to law enforcement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 7, 1990, is designated as "NationaL Law Enforcement Training Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate exhibits, ceremonies, and activities, including programs designed to heighten the awareness of all citizens, particularly the youth of this Nation, of the importance of law enforcement training and related disciplines.

WORLD FOOD DAY

The joint resolution (S.J. Res. 138) designating October 16, 1989, and October 16, 1990, as "World Food Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 138

Whereas hunger and malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas the children of the world suffer the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment because of vitamin or protein deficiencies;

Whereas the United States and the people of the United States have a long tradition of demonstrating humanitarian concern for the hungry and malnourished people of the world;

Whereas there is growing concern in the United States and around the world for environmental protection and the dangers posed to future food security from misuse and overuse of precious natural resources of land, air, and water and the subsequent degradation of the biosphere;

Whereas efforts to resolve the world hunger problem are critical to the maintenance of world peace and, therefore, to the security of the United States;

Whereas the Congress is particularly concerned with the continuing food problems of Africa and is supportive of the efforts being made there to reform and rationalize agricultural policies to better meet the food needs of Africans;

Whereas the United States, as the largest producer and trader of food in the world, has a key role to play in assisting countries and people to improve their ability to feed themselves;

Whereas, although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably Native Americans, migrant workers, the elderly, and children, remain vulnerable to malnutrition and related diseases;

Whereas the Congress is acutely aware of the paradox of enormous surplus production capacity in the United States despite the desperate need for food by people throughout the world;

Whereas the United States and other countries should develop and continually evaluate national policies concerning food, farmland, and nutrition to achieve the well-being and protection of all people and particularly those most vulnerable to malnutrition and related diseases;

Whereas improved agricultural policies, including farmer incentives, are necessary in many developing countries to increase food production and economic growth;

Whereas private enterprise and the primacy of the independent family farmer have been basic to the development of an agricultural economy in the United States and have made the United States capable of meeting the food needs of most of the people of the United States;

Whereas increasing farm foreclosures threaten to destroy the independent family farmer and weaken the agricultural economy in the United States;

Whereas conservation of natural resources is necessary for the United States to remain the largest producer of food in the world and to continue to aid hungry and malnourished people of the world;

Whereas participation by private voluntary organizations and businesses, working with national governments and the international community, is essential in the search for ways to increase food production in developing countries and improve food distribution to hungry and malnourished people;

Whereas the member nations of the Food and Agriculture Organization of the United Nations unanimously designated October 16 of each year as World Food Day because of the need to increase public awareness of world hunger problems;

Whereas past observances of World Food Day have been supported by proclamations by the Congress, the President, the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, and by programs of the Department of Agriculture, other Federal departments and agencies, and the governments and peoples of more than 140 other nations;

Whereas more than 400 private voluntary organizations and thousands of community leaders are participating in the planning of World Food Day observances in 1989, and a growing number of these organizations and leaders are using such day as a focal point for year-round programs; and

Whereas the people of the United States can express their concern for the plight of hungry and malnourished people throughout the world by fasting and donating food and money for such people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 16, 1989, and October 16, 1990, are designated as "World Food Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe World Food Day with appropriate ceremonies and activities, including worship services, fasting, education endeavors, and the establishment of year-round food and health programs and policies.

LYME DISEASE AWARENESS WEEK

The joint resolution (S.J. Res. 142) designating the week beginning July 23, 1989, as "Lyme Disease Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 142

Whereas Lyme disease is spread by the tick species Ixodes Dammini by means of the bacterium Burrelia Burgdorferi;

Whereas these ticks are no larger than the head of a pin;

Whereas these ticks can be carried by domestic animals such as cats, dogs, and horses;

Whereas these ticks can be transferred from domestic animals to humans;

Whereas Lyme disease was first diagnosed in southeastern Connecticut and has spread to forty-three States;

Whereas the Centers for Disease Control has reported fourteen thousand cases of Lyme disease since 1982;

Whereas Lyme disease is easily treated in its early stages by an oral vaccine administered by a physician (penicillin and erythromycin for young children and tetracycline for person allergic to penicillin);

Whereas the early symptoms of Lyme disease are a rash, mild headaches, a slight fever, and swollen glands;

Whereas Lyme disease often mocks rheumatoid arthritis and heart disease;

Whereas if left untreated, Lyme disease can cause severe depression, brain disorders, and even death;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public and health care professionals more knowledgeable of Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning July 23, 1989, is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

The joint resolution (S.J. Res. 143) to designate the week of December 10, 1989, through December 16, 1989, as "National Drunk and Drugged Driving Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 143

Whereas, traffic accidents cause more violent deaths in the United States than any other cause, approximately 46,000 in 1986;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas close to 50 per centum of all drivers killed in single vehicle collisions and over 38.7 per centum of all drivers fatally injured in 1986 had blood alcohol concentrations above the legal limit of .10;

Whereas the United States Surgeon General has reported that life expectancy has risen for every age group over the past 75 years except for Americans 15 to 24 years old, whose death rate, the leading cause of which is drunk driving, is higher now than it was 20 years ago;

Whereas the total societal cost of drunk driving has been estimated at more than $26,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs;

Whereas driving after the use of therapeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the Presidential Commission on Drunk Driving, appointed to heighten public awareness and stimulate the pursuit of solutions, provided vital recommendations for remedies for the problem of drunk driving;

Whereas the National Commission Against Drunk Driving was established to assist State and local governments and the private sector to implement these recommendations;

Whereas most States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases, their recommendations are leading to enactment of new laws, along with strict enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and consistent safety belt usage by all drivers and passengers would save as many as 10,000 lives each year;

Whereas an increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drunk drivers on the roads and an increased number of social functions, is a particularly appropriate time to focus national attention on this critical problem;

Whereas designation of National Drunk and Drugged Driving Awareness Week in each of the last 7 years stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the high-risk Christmas and New Year holiday period and thereafter;

Whereas the activities and programs during National Drunk and Drugged Driving Awareness Week have heightened the awareness of the American public to the danger of drunk and drugged driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of December 10, 1989, through December 16, 1989, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate activities.

RELIGIOUS FREEDOM WEEK

The joint resolution (S.J. Res. 146) designating the week of September 24, 1989, as "Religious Freedom Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 146

Whereas the principle of religious liberty was an essential part of the founding of our Nation, and must be safeguarded with eternal vigilance by all men and women of good will;

Whereas religious liberty has been endangered throughout history by bigotry and indifference;

Whereas the first amendment to the Constitution of the United States guarantees the inalienable rights of individuals to worship freely or not be religious, as they choose, without interference from governmental or other agencies;

Whereas the Constitution of the United States ensures religious freedom to all of the people of the United States;

Whereas at Touro Synagogue in 1790, President George Washington issued his famous letter declaring "to bigotry no sanction, to persecution no assistance";

Whereas the Touro Synagogue letter advocating the doctrine of mutual respect and understanding was issued more than 1 year before the adoption fo the Bill of Rights;

Whereas the letter of President Washington and the Touro Synagogue have become national symbols of the commitment of the United States to religious freedom;

Whereas throughout our Nation's history, religion has contributed to the welfare of believers and of society generally, and has been a force for maintaining high standards for morality, ethics, and justice;

Whereas religion is most free when it is observed voluntarily at private initiative, uncontaminated by Government interference and unconstrained by majority preference; and

Whereas religious liberty can be protected only through the efforts of all persons of good will in a united commitment: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 24, 1989, is hereby declared to be "Religious Freedom Week", wherein members of all faiths or none, may join together in support of religious tolerance and religious liberty for all.

NATIONAL JOB SKILLS WEEK

The joint resolution (S.J. Res. 148) to designate the week of October 8, 1989, through October 14, 1989, as "National Job Skills Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 148

Whereas the ability to maintain an internationally competitive and productive economy and a high standard of living depends on the development and utilization of new technologies;

Whereas new technologies require skills that are currently lacking in the national workforce;

Whereas experts in both the public and private sectors predict that a shortage of skilled entry-level workers will exist through the remainder of this century;

Whereas young people in the United States are experiencing higher than normal unemployment rates because many of them lack the skills necessary to perform the entry-level jobs that are currently available;

Whereas these young people will continue to experience higher than normal unemployment rates unless they develop the skills necessary to perform the entry-level jobs that become available;

Whereas American workers who face dislocation due to plant closures and industrial relocation need special training and education to prepare for new jobs and new opportunities; and

Whereas a National Job Skills Week can serve to focus attention on present and future workforce needs, to encourage public and private cooperation in job training and educational efforts, and to highlight the technological changes underway in the workplace: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 8, 1989, through October 14, 1989, is designated as "National Job Skills Week," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

HELSINKI HUMAN RIGHTS DAY

The joint resolution (S.J. Res. 150) to designate August 1, 1989, as "Helsinki Human Rights Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and the preamble are as follows:

S.J. RES. 150

Whereas August 1, 1989, will be the fourteenth anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (CSCE) (hereafter in this preamble referred to as the "Helsinki accords");

Whereas on August 1, 1975, the Helsinki accords were agreed to by the Governments of Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and Yugoslavia;

Whereas the participating States have committed themselves to balanced progress in all areas of the Helsinki accords;

Whereas the Helsinki accords recognize the inherent relationship between respect for human rights and fundamental freedoms and the attainment of genuine security;

Whereas the Helsinki accords express the commitment of the participating States to "recognize the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and cooperation among themselves as among all States";

Whereas the Helsinki accords also express the commitment of the participating States to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion";

Whereas the Helsinki accords also express the commitment of the participating States to "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development";

Whereas the Helsinki accords also express the commitment of the participating States to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience";

Whereas the Helsinki accords also express the commitment of the participating States on whose territory national minorities exist to "respect the right of persons belonging to such minorities to equality before the law" and that such States "will afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms and will in this manner, protect their legitimate interests in this sphere";

Whereas the Helsinki accords also express the commitment of the participating States to "constantly respect these rights and freedoms in their mutual relations" and that such States "will endeavor jointly and separately, including in cooperation with the United Nations, to promote universal and effective respect for them";

Whereas the Helsinki accords also express the commitment of the participating States to "conform the right of the individual to know and act upon his rights and duties in this field";

Whereas the Helsinki accords also express the commitment of the participating States in the field of human rights and fundamental freedoms to "act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights" and to "fulfill their obligations as set forth in the international declarations and agreements in this field, including inter alia the International Covenants on Human Rights by which they may be bound";

Whereas the Helsinki accords by incorporation also express the commitment of the participating States to guarantee the right of the individual to leave his own country and return to such country;

Whereas the Helsinki accords also express the commitment of the participating States to "facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of the humanitarian problems that arise in that connection";

Whereas the Helsinki accords also express the commitment of the participating States to "favorably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families";

Whereas the Helsinki accords also express the commitment of the participating States to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family" and "to deal with applications in this field as expeditiously as possible";

Whereas the Helsinki accords also express the commitment of the participating States to "examine favorably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating State";

Whereas the Helsinki accords also express the commitment of the participating States to "facilitate wider travel by their citizens for personal or professional reasons";

Whereas the Helsinki accords also express the commitment of the participating States to "facilitate the freer and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries;"

Whereas all the participating States, including the Governments of the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania, in agreeing to the Helsinki accords, have made a commitment to adhere to the principles of

human rights and fundamental freedoms as embodied in the Helsinki accords;

Whereas, despite some significant improvements in some of these countries, the aforementioned Governments still have the worst performance records and have failed to fully implement their obligations under Principle VII of the Helsinki accords to respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, and under Basket III of the Helsinki accords to promote free movement of people, ideas and information;

Whereas representatives from the signatory States convened in Vienna on November 4, 1986, to review implementation and address issues of compliance with the human rights and humanitarian provisions of the Helsinki accords;

Whereas representatives from the signatory States reached consensus on the Concluding Document of the Vienna Meeting on January 19, 1989, a document which has added clarity and precision to the obligations undertaken by the States in signing the Helsinki accords; and

Whereas by agreeing to the document, the signatory States "reaffirmed their commitment to the CSCE process and underlined its essential role in increasing confidence, in opening up new ways for cooperation, in promoting respect for human rights and fundamental freedoms and thus strengthening international security": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) August 1, 1989, the fourtenth anniversary of the signing of the Final Act on the Conference on Security and Cooperation in Europe (hereinafter referred to as the "Helsinki accords") is designated as "Helsinki Human Rights Day";

(2) the President is authorized and requested to issue a proclamation reasserting the American commitment to full implementation of the human rights and humanitarian provisions of the Helsinki accords, urging all signatory nations to abide by their obligations under the Helsinki accords, and encouraging the people of the United States to join the President and Congress in observance of the Helsinki Human Rights Day with appropriate programs, ceremonies, and activities;

(3) the President is further requested to continue his efforts to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords by raising the issue of noncompliance on the part of any signatory nation which may be in violation (in particular, the Governments of the Soviet Union, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania);

(4) the President is further requested to convey to all signatories of the Helsinki accords that respect for human rights and fundamental freedoms is a vital element of further progress in the ongoing Helsinki process; and

(5) the President is authorized to convey to allies and friends of the United States that unity on the question of respect for human rights and fundamental freedoms is an essential means of promoting the full implementation of the human rights and humanitarian provisions of the Helsinki accords.

SEC. 2. The Secretary of the Senate is directed to transmit copies of this joint resolution to the President, the Secretary of State, and the Ambassadors of the thirty-four Helsinki signatory nations.

COMMENDING THE "FLYING TIGERS" FOR 50 YEARS OF SERVICE TO THE UNITED STATES

The concurrent resolution (S. Con. Res. 39) to commend the group of aviators known as the "Flying Tigers" for nearly 50 years of service to the United States, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 39

Whereas the merger of Tiger International with the Federal Express Corporation led to the transfer of the international air cargo routes from Flying Tiger Line, Inc., a subsidiary of Tiger International, to the Federal Express Corporation will bring to a close one of the most remarkable and distinguished chapters in United States aviation history;

Whereas the pilots of the Flying Tiger Line, Inc. bear a name which represents members of a proud and distinguished group of aviators (properly known as the "Flying Tigers");

Whereas approximately 50 years ago the Flying Tigers initially operated in the jungles of Burma, with the operations of the American volunteer group under the command of General Clair Chennault;

Whereas the tradition of proud and distinguished service by the Flying Tigers to the United States began under the direction of Robert W. Prescott;

Whereas for more than 4 decades such proud and distinguished group of aviators has steadfastly served the specialized air transportation needs of the United States; and

Whereas the Flying Tigers have provided assistance with rescue efforts in Korea, Hungary, Vietnam, Cambodia, and Ethiopia, and have conducted many other humanitarian missions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress commends the group of pilots that bear the name Flying Tigers, a distinguished group of aviators, for nearly 50 years of valued and compentent service to the United States.

CHANEY, GOODMAN, AND SCHWERNER DAY

The concurrent resolution (S. Con. Res. 40) to designate June 21, 1989, as "Chaney, Goodman, and Schwerner Day," was considered.

Mr. MITCHELL. Mr. President, not often does the Senate pause to recognize individuals who have made eternal contributions to this country. I am honored to join my colleagues today to commemorate three brave Americans who forsake personal considerations to advance the cause of freedom for all.

Michael Schwerner and Andrew Goodman traveled to unfamiliar Mississippi from the relative comfort of their homes in Pennsylvania to fight injustice leveled at people they have never met. James Chaney, a native of the State, worked with them in hopes of bringing a new reality to people he knew deserved it. They must have known hostility awaited them. They could not have imagined their expressions of support for the right of all citizens, regardless of their color, to participate in American dream would cost them their lives. Surely, they did not know what their ultimate contribution would mean to this country.

Mr. President, these men are symbols of the civil rights movement which remains vigilent—that no individual, no organization—no matter what its philosophical bent—weakens this Republic. As long as we continue to protect the fundamental, inalienable rights of all Americans, we can proudly state that Chaney, Goodman, and Schwener efforts were triumphant.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 40) was agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 40

"Whereas on June 21, 1964, James Chaney, Andrew Goodman, and Michael Schwerner gave their lives at a young age in an effort to guarantee the rights that are the birthright of every citizen of the United States, particularly the right to vote;

Whereas James Chaney, Andrew Goodman, and Michael Schwerner were part of a movement that helped to achieve the passage of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and other milestones in the progress of this Nation toward achieving the goal of ensuring equal rights, equal opportunities, and equal justice for all;

Whereas during the quarter century after the deaths of James Chaney, Andrew Goodman, and Michael Schwerner this Nation has benefitted tremendously from the removal of many barriers to full participation by every citizen of this Nation in political, educational, and economic life;

Whereas the lives and resultant deaths of James Chaney, Andrew Goodman, and Michael Schwerner have come to symbolize the dream of brotherhood and sisterhood among citizens of this Nation from all races, religions, and ethnic backgrounds.

Whereas the memory of the struggle of James Chaney, Andrew Goodman, and Michael Schwerner and the sacrifice of such men will encourage all citizens of this Nation, in particular young citizens, to be rededicated to the ideals of justice, equality, citizenship, and community;

Whereas the State of Mississippi and the City of Philadelphia, Mississippi, are joining with citizens from throughout this Nation to commemorate the contributions that James Chaney, Andrew Goodman, and Michael Schwerner made to this Nation; and

Whereas the lifework of James Chaney, Andrew Goodman, and Michael Schwerner remains unfinished until all barriers are removed that bar the full participation of every citizen of this Nation in the democratic process of this Nation, especially in the electoral process: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) June 21, 1989, is designated as Chaney, Goodman, and Schwerner Day,

(2) it is the sense of the Congress that the Voting Rights Act of 1965 has helped to fulfill the promise of democracy in this Nation, and

(3) the Congress reaffirms the goal of removing remaining barriers to full voter participation in this Nation.

FIFTIETH ANNIVERSARY OF THE UNITED JEWISH APPEAL

The resolution (S. Res. 116) commemorating the 50th anniversary of the United Jewish Appeal, was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 116

Whereas the United Jewish Appeal was born out of Kristallnacht, the "Night of Broken Glass" November 9, 1938, which many believe was the beginning of the Holocaust that killed six million Jews;

Whereas the "Night of Broken Glass" left an open wound on the hearts of Jews in every nation; for American Jewish leaders six thousand miles away, it was a turning point and a catalyst, causing them to realize that only a centralized fundraising body would be able to mobilize the resources needed to meet the coming crisis for the Jews of Europe;

Whereas, the United Jewish Appeal, popularly called UJA, was born two months later;

Whereas, on January 10, 1939, a charter was signed that established the UJA as the central American Jewish fundraising organization;

Whereas the purpose of the organization was to work for the relief and rehabilitation of Europe, the immigration to and settlement in the land of Israel of Jews, and to the aid of refugees in the United States;

Whereas, since its founding, the UJA has served as a model of American Jewish concern for Israel, symbolizing the Jewish lifeline extended by the Jews of America to preserve and strengthen Jewish life everywhere it exists throughout the world;

Whereas while UJA is primarily devoted to fundraising, it has come to be, through its strong and dedicated leadership, a central force through which the American Jewish community asserts its commitments and interests and makes its views known to the entire country on matters of American policy toward Israel, United States-Soviet relations, and other matters of concern;

Whereas UJA at fifty makes possible today's in-gathering of refugees and others into Israel and future growth throughout the country, provides continuing care for the remnant of Jews in Eastern Europe, and preserves Jewish continuity in thirty-three countries around the world.

Whereas UJA funds have contributed to the rescue, rehabilitation, and resettlement of more than three million men, women, and children, more than one million eight hundred thousand of them in Israel;

Whereas the UJA/Federation Campaign represents the Jewish community's commitment to Jewish continuity, providing the help that would not be there otherwise;

Whereas the UJA will work its fiftieth anniversary during the 1989 campaign year from August 1988 to July 1989 with a host of special programs and events to call attention to the organization's history, its ongoing work on behalf of the Jewish people, and its role in American life; Now therefore, be it

Resolved, That—

(1) the United States Senate congratulates the United Jewish Appeal for its outstanding work on behalf of Jews all over the world; and

(2) urges the UJA to continue its good work on behalf of human rights and human dignity throughout the world, and wishes it great success in the coming years.

ORDER FOR THE RECORD TO REMAIN OPEN UNTIL 3 P.M. TODAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the RECORD remain open today until 3 p.m. for the introduction of bills and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, if the Republican leader has no further business and only one Senator remains to seek recognition, I ask unanimous consent that Senator KERREY be recognized to address the Senate and upon the completion of his remarks the Senate stand in recess under the previous order until 12 noon on Monday, June 12.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

ATWATERGATE

Mr. KERREY. Mr. President, on Monday of this week the day before the House of Representatives elected a new Speaker, it was revealed that the Republican National Committee had produced and mailed a memorandum that dealt primarily with Representative TOM FOLEY. This memorandum has since been described as sleazy, outrageous, disgusting; it has been denounced by the President of the United States, by the distinguished majority leader and minority leader of the U.S. Senate and the House of Representatives.

The Speaker of the House, the man who was named and who has been damaged by this irresponsible action, has asked that we place the entire matter behind us. His love of this country exceeds his concern for his own reputation. He knows that Congress has much work to do and he is anxious for us to get on to that work.

Mr. President, I have a great deal of respect for Speaker FOLEY and accordingly I will not join others who are asking that Lee Atwater, the chairman of the Republican National Committee, resign. However, Mr. President, I must also declare that I simply do not believe Mr. Atwater when he says that he did not know about this memorandum. His comments on Tuesday of this week that the memorandum was "no big deal" betrays a prior knowledge.

His comments today, saying that it was "just the wrong time and the wrong place" to send this memorandum out betrays as well that he condones the content of this memorandum.

Mr. President, I believe that Mr. Atwater knew about this memorandum and that he encouraged its distribution. His coverup now can, I believe, be best described as "Atwatergate."

Mr. President, I am not surprised by Atwatergate. The only surprise is this controversy, which currently surrounds Mr. Atwater and the RNC's memorandum about TOM FOLEY, is that anyone is surprised at all.

Atwatergate is not a new tactic of Mr. Atwater, but rather fits with a long pattern of deceptiveness and disingenuousness that we have experienced recently in Nebraska. Last month, Mr. Atwater publicly interfered with Environmental Protection Agency's delicate review of the Two Forks Dam project. And when the majority of the Nebraska congressional delegation, including our Republican Governor, complained, he explained that he had been merely acting as a private citizen.

In a letter to Mr. Atwater, I argued that this kind of misrepresentation of fact appears to be your principal operating procedure. Unfortunately, Mr. President, it is also an operating procedure that the President of the United States and other leaders of Mr. Atwater's party have too long condoned or sought to explain away.

I appreciate very much the recent leader's condemnation of Mr. Atwater's action, and I ask unanimous consent that the full text of the letter that I wrote to Mr. Atwater be printed in the RECORD following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KERREY. Mr. President, we have also heard in the last few days about the importance of allowing democratic values to flourish in China. But democratic values are at stake here in America as well. Democracy depends on more than just the right to vote in protest. Democracy demands that its participants conduct themselves honestly, fairly, and within cer-

tain established rules of civility and fair play.

Mr. Atwater has made a career of breaking those rules and his superiors have made their careers condoning it.

Mr. President, Atwatergate undercuts confidence in democracy at the very moment when America's political leaders should be acting so as to increase the world's confidence in democratic principles.

Atwatergate should not be condoned or ignored. It should be condemned and isolated as offensive behavior.

EXHIBIT 1

U.S. SENATE,
Washington, DC, May 11, 1989.

Mr. LEE ATWATER,
Chairman, Republican National Committee, Washington, DC.

DEAR MR. ATWATER: Your recent declaration of intent to carry a strong message to the President of the United States on behalf of the Two Forks Dam was strongly criticized by the majority of Nebraska's Congressional delegation. As elected representatives we believe it is entirely inappropriate for the Chairman of the Republican National Committee to be interfering while a delicate review of the project is underway by the Environmental Protection Agency.

The rationalization that you were just acting as a "private citizen" is unacceptable and unbelievable. This is particularly true given the circumstances of your original statement, namely an audience of Colorado Republicans most of whom may today wish you were a private citizen.

Initially, I was pleased when you indicated that you had made a mistake. I said publically that you were smart to have understood the nature of the error. However, your subsequent statements have caused me to conclude that I had misjudged you. First of all, you claim to have been misquoted. Mr. Atwater, this is simply not ture. Your voice has been captured on tape saying:

"The battle is not finished yet, and I intend to go back and have a very serious discussion with the president. I want to let him know the sentiment of people out here who I have confidence in and who I've worked with over the years."

In fact this kind of misrepresentation of fact appears to be your principle operating procedure. You assume that because you have a respectable position you can say what you want * * * the truth be damned. You evidently assume that is acceptable behavior in American politics.

Your successes have led many to conclude that this is so. You assume you can tell a lie and that people will understand because that's the way it's done. I understand you set some kind of new political record the other evening in New York by saying straight faced that you didn't realize William (AKA Willy) Horton was black.

Given your behavior in the last Presidential election I find your statement that Senator Exon's assertions are the "most outrageous in the twenty years you have been in politics" laughable.

Finally, you pathetically express the hope that the people of Nebraska "exmaine the senator's concepts of civil liberties and civil rights when he questions my right to talk to the President about this issue." My satisfaction seeing you finally demonstrating concern for someone's civil liberties and civil right (albeit your own) does not calm the outrage I feel hearing you say these words.

Mr. Atwater, you have asked Senator Exon to retract or clarify his statement. He needs to do neither; you need to do both.

Sincerely,

J. ROBERT KERREY.

RECESS UNTIL MONDAY, JUNE 12, 1989

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 12 noon on Monday.

Thereupon, at 1:05 p.m., the Senate recessed until Monday, June 12, 1989, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9, 1989:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ALFRED A. DELLIBOVI, OF NEW YORK, TO BE UNDER SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

EXECUTIVE OFFICE OF THE PRESIDENT

JOHN B. TAYLOR, OF CALIFORNIA, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

DEPARTMENT OF COMMERCE

JOHN MICHAEL FARREN, OF CONNECTICUT, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.